



Proposal to Volusia County for Public Emergency Medical Transportation (PEMT) Program

RFP # 17-SQ-68BB8BB

March 23, 2017, 3:00 p.m. Local Time

Glenn Goodpaster

Vice President Business Development

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Rebecca Bishop

Sr. Procurement Analyst

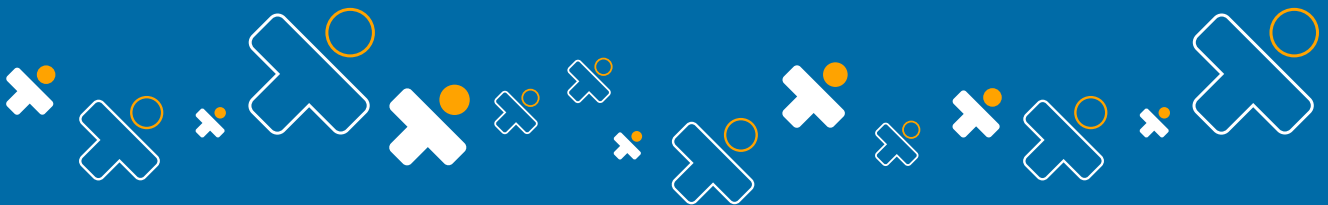
County of Volusia
Purchasing and Contracts Division
123 West Indiana Avenue, Room 302
DeLand, FL 32720-4608

386.822.5764 | rbishop@volusia.org

Table of Contents

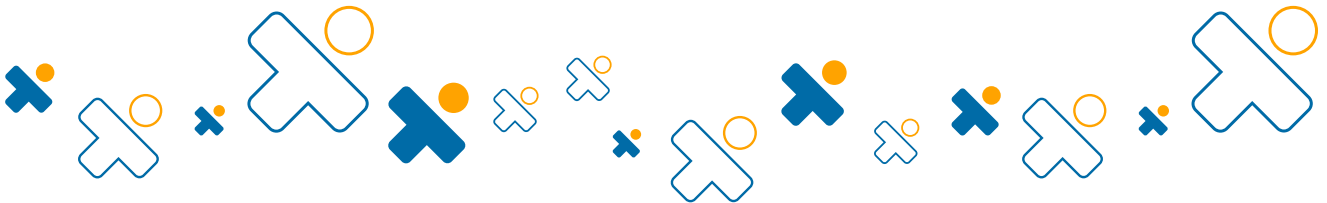
Table of Contents	
Tab 1. Qualification Data.....	
A - Submittal Letter.....	
B - Brief Profile of Firm.....	1
Tab 2. Familiarity with PEMT Program	7
Statement of Work.....	9
Tab 3. Methodology	13
Tab 4. Cost	24
Tab 5. References	25
Tab 6. Financial Stability.....	28
Tab 7. Forms	29
Business Tax Receipt (BTR)	29
Insurance	29
Conflict of Interest Disclosure Form	29
Completed Taxpayer Identification Number (TIN) form.....	30
Addenda.....	30
Drug-Free Work Place Form (See Section 11.0).....	30
Certification Regarding Debarment (Prime) Form (See Section 12.0)	30
Certification Regarding Debarment (Sub) Form (See Section 13.0).....	30
Supporting Documentation	31

Tab 1 - Qualification Data



Volusia County

A - Submittal Letter



Tab 1. Qualification Data

A - Submittal Letter

March 23, 2017

Ms. Rebecca Bishop, Sr. Procurement Analyst
County of Volusia
Purchasing and Contracts Division
123 West Indiana Avenue, Room 302
DeLand, FL 32720-4608

Reference: 17 SQ-68BB Public Emergency Medical Transportation (PEMT) Program

Dear Ms. Bishop:

Attached is our proposal for Public Emergency Medical Transportation (PEMT) in response to the Volusia County (County) RSQ 17-SQ-68BB.

Intermedix is pleased to submit this proposal to Volusia County to provide consulting and cost reporting services pertaining to the Public Emergency Medical Transportation (PEMT) program.

Our Solution

Intermedix is the EMS industry leader in EMS revenue management services, providing innovative solutions that fund EMS services. We work with over 300 EMS and Fire Departments nationwide, including 26 of the nation's largest 64 cities who outsource their EMS billing program. Our experience, expertise and investment in technology allows us to achieve revenue gains for our customers year after year, while protecting them with a strict, effective compliance program.

Of more significance to the County is our unrivaled presence in the State of Florida. We bill for over 60 municipalities and process nearly 900,000 billable incidents per year. We currently contract with 30 municipalities to provide PEMT cost reporting services.

Strong PEMT Focus

For services related to the PEMT program, Intermedix is pleased to partner with Public Consulting Group, Inc. (PCG); called the Team. The team has developed a trusted relationship to provide the most comprehensive set of consulting and cost reporting services in the marketplace. Together, we are the most qualified team to provide the services outlined in the Request for Statement of Qualifications (RSQ).



The Team will perform all work as outlined in the RSQ and specifically Exhibit A, Scope of Services. As an overview of our response, we have called out some important highlights to reinforce why we are best positioned to partner with Volusia County.

We are Leaders in National EMS Revenue Maximization

Both Intermedix and PCG have a presence in all 50 states with combined offices in more than 90 locations across the country. The Team offers the advantages of an established consulting firm to its clients with over 30 years of experience working with state and local governmental agencies across the country. This includes a wide array of healthcare providers encompassing hospitals, school districts, public health agencies, behavioral health care agencies and ambulance services providers. We are dedicated to providing a full complement of supplemental payment programs, revenue enhancement, cost reporting and cost allocation services to state and local governments across the country.

The Team has vast experience working with state Medicaid agencies and EMS providers nationwide, including Texas, Massachusetts, Oklahoma, Kansas, District of Columbia and Florida, to develop, implement and administer EMS revenue enhancement initiatives. For example, PCG worked with the State of Texas Health and Human Services Commission (HHSC) beginning in 2006 to launch the first Ambulance Supplemental Payment Program. They were intricately involved in gaining federal approval for the program through a comprehensive regulatory process. This inaugural program launch our working with a variety of states and their respective EMS providers on cost reporting.

In serving the public sector, we understand the fiscal challenges that the County faces in providing quality affordable emergency medical services for its citizens. And, we are confident that our team’s knowledge, combined with our deep experience and highly successful approach, uniquely qualifies us to help Volusia County generate incremental revenue to alleviate fiscal pressure on the County’s budget. Our experience and staff expertise is unsurpassed in designing, gaining approval for, and implementing ambulance supplemental payment programs for clients. We would be honored to be able to work with the County to do the same.

We have the most Florida PEMT Program Experience

Since the inception of the FL PEMT program in 2016, we have worked with over 30 fire departments and ambulance services providers within the state to identify reimbursable costs and assemble cost reports. Our Florida experience allows us to better understand specific challenges faced by providers in meeting stringent state and federal program regulations.

Our intimate familiarity with the Florida PEMT program, the deliberate and disciplined approach to cost reporting projects and the wealth of knowledge on polices and regulations affecting cost reporting, combined with Intermedix’ knowledge of billing practices and Florida-specific billing experience, make us the most qualified team to perform this work on your behalf.



We have developed a close relationship with the Agency for Health Care Administration (AHCA) by serving as a liaison for our participating providers during implementation of the program, cost report submission and compliance reviews. In preparation for FY16 cost report submission, PCG organized and facilitated a PEMT summit for EMS providers to gain awareness and ask AHCA questions about the program. With extensive experience in raising programmatic issues and responding to compliance review inquiries, we will meet and exceed the County's need for a competent and reliable voice with the administering agency of the PEMT. The Team will work with AHCA on behalf of Volusia to ensure a successful experience and get expedited resolution when issues or questions arise.

Our a web-based cost reporting tool to facilitates compliance

The Team is the only vendor that uses a web-based cost reporting tool in addition to the hands-on analysis from a team of cost reporting experts. While serving as the hub for data collection, our proprietary system also implements real-time validation checks for quality assurance and accuracy. Before a cost report can be certified, the system requires a response or edit on any validation check that is triggered. Any significant fluctuations in data would require confirmation from Volusia. This additional measure of compliance is an important component in our plan to prepare the most conservative and highly compliant cost reports for the County.

We provide unmatched value added services

Our cost report preparation and cost settlement support will allow Volusia to generate maximum allowable revenue while mitigating audit risk. Through a full service delivery model, we offer cost reporting expertise that optimizes revenue and reduces the administrative burden on EMS providers. We will provide full support to Volusia throughout AHCA's compliance review process, drafting letters and providing supporting documentation to meet AHCA's requirements and expedite settlement payments. Comprehensive reviews will be conducted of all cost settlement files, performing detailed analysis of billing reports pulled by Volusia to ensure that all allowable charges and payments are included in the calculation of the final settlement. One of the system's more beneficial data validation components is the ability to conduct year-to-year comparisons of cost report data (e.g., significant trends in billing and financial data).

We will provide Volusia with additional services aimed at increasing ambulance service revenues. Additionally, we provide charge master review services to ensure that the department is optimizing charges to drive revenue generation. Understanding the political complexities associated with increasing charges is critical and we provide the necessary support and analysis to present to stakeholders.

Our team draws on subject matter expertise

The Team is comprised of financial and programmatic subject matter experts, particularly with a focus on EMS reimbursement programs. The experienced professionals from our revenue enhancement team have worked with thousands of state and local governmental entities and have successfully recovered hundreds of millions of dollars for clients. We have extensive experience with Centers for Medicare and Medicaid Services (CMS) cost reporting requirements and provide clients with unmatched cost reporting services.



The Team will draw on a host of cost reporting experts from around the country and the County can rest assured that the project team for this engagement will be readily accessible. Your dedicated project team will maintain close contact with the County's officials throughout the life cycle of this important engagement.

Summary

Outlined in this proposal is the background, experience and qualifications of resources, as well as the approach to PEMT services that Intermedix and PCG will undertake to assist the County in realizing revenue as part of this opportunity.

We appreciate the opportunity to assist Volusia County on this project and look forward to your review of our proposal.

Please reach out to Glenn Goodpaster, Vice President of Business Development directly at 573.225.6613 or via email at Glenn.Goodpaster@intermedix.com should you need any further information.

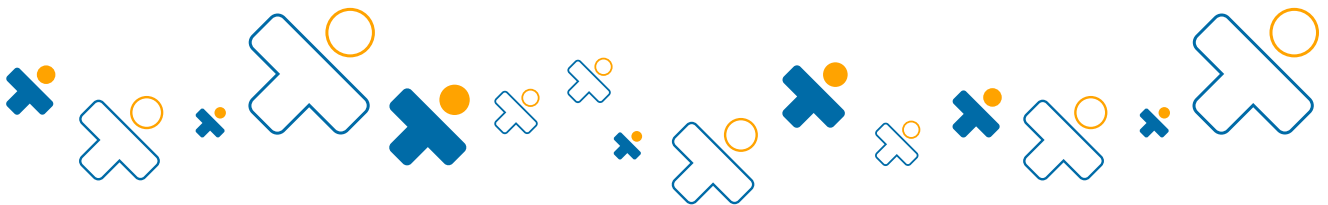
Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'ML', with a long horizontal flourish extending to the right.

Melissa Leigh
Sr. Vice President, General Counsel and Corporate Secretary

Volusia County

B - A Brief History of the Firm



B - Brief Profile of Firm

Provide a brief profile of the firm, including:

1. A brief history of the business;

Intermedix is a global leader pioneering innovations in data analytics and cloud-based technology to deliver technologically advanced revenue cycle management, practice management and emergency management solutions.

Intermedix (Advanced Data Processing, Inc.) has been providing ambulance billing services since 1978. We employ over 2,400 employees in 29 offices across 14 states, and internationally in Lithuania, New Zealand and Auckland. Intermedix is a global leader pioneering innovations in data analytics and cloud-based technology to deliver superior revenue cycle management, practice management and emergency management solutions. We connect more than 95% of the US with population management technologies.

In addition, customers receive actionable insights to manage risk through descriptive and predictive modeling capabilities, they maximize compliant financial performance through expert services backed by proprietary technology, and they optimize emergency preparedness and response through a proven, integrated platform. Intermedix aligns healthcare providers with the future of reimbursement by partnering with hospitals, physician groups, emergency service organizations, government agencies and corporations to achieve revenue integrity, patient satisfaction and community resilience.

2. Organizational structure of business;

Due to the number of employees across our company, an organization chart would not be suitable. However, we have provided a high-level organization chart for our EMS division along with a senior leadership organization chart for your review.

Intermedix Corporation – EMS High Level

Intermedix Corporation EMS (High-Level)

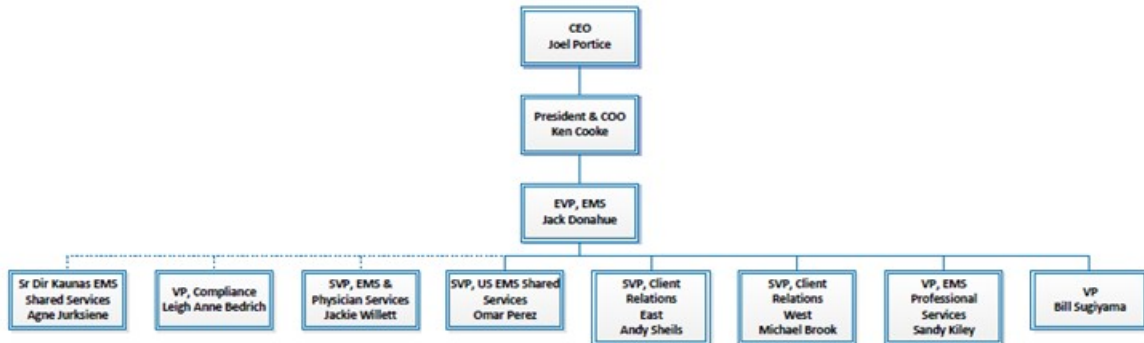


Figure 1: Intermedix Emergency Medical Services Organization. These individuals represent well over 100 years’ healthcare services experience combined.

Executive Leadership

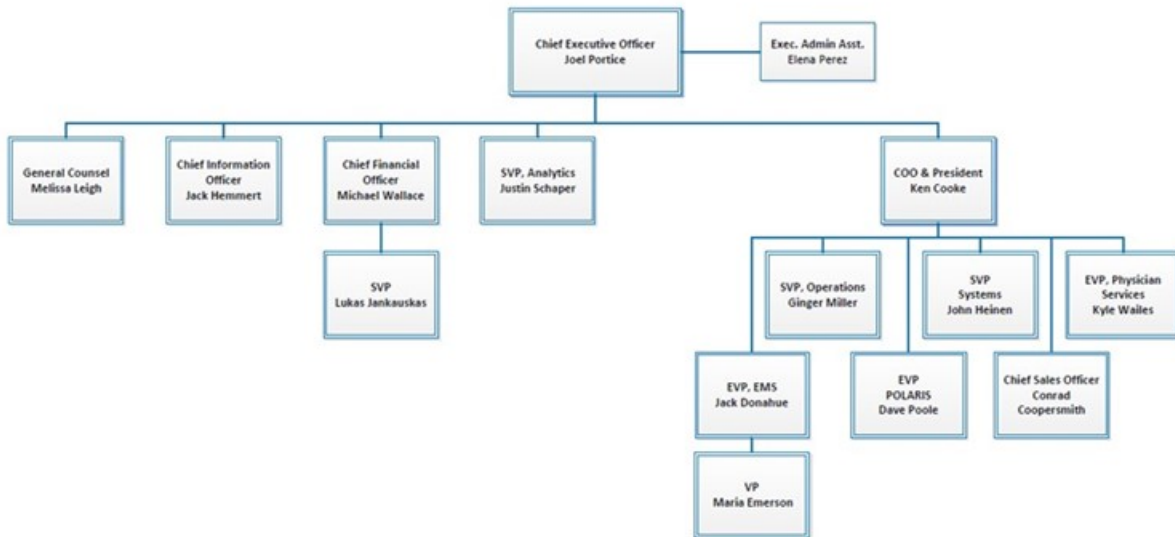


Figure 2: Intermedix Executive Leadership. These individuals provide additional support for the EMS organization.

3. Designation of the legal entity by which the business operates (i.e., sole proprietorship, partnership, limited liability partnership, corporation, limited liability corporation, etc.) including documentation from the appropriate state’s agency confirming firm’s legal entity type. For non-Florida businesses, submit documentation from the state in which the business was formed and

documentation from the State of Florida providing authorization to perform business in the state of Florida;

Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation was incorporated in the State of Delaware in 2002. We have provided our certificate of good standing with the state for your review.



Figure 3: Certification of Good Standing - this snapshot provides the necessary information for the City with regard to our standing within the state.

4. A Florida Department of State, Division of Corporations' Sunbiz report available at www.sunbiz.org;

2016 FOREIGN PROFIT CORPORATION ANNUAL REPORT

DOCUMENT# F02000005151

Entity Name: ADVANCED DATA PROCESSING, INC.

Current Principal Place of Business:

6451 N. FEDERAL HIGHWAY
SUITE 1000
FORT LAUDERDALE, FL 33308

Current Mailing Address:

6451 N. FEDERAL HIGHWAY
SUITE 1000
FORT LAUDERDALE, FL 33308

FEI Number: 22-3875190

Certificate of Status Desired: No

Name and Address of Current Registered Agent:

REGISTERED AGENT SOLUTIONS, INC.
155 OFFICE PLAZA DR
STE. A
TALLAHASSEE, FL 32301 US

FILED
Apr 14, 2016
Secretary of State
CC4856379036

The above named entity submits this statement for the purpose of changing its registered office or registered agent, or both, in the State of Florida.

SIGNATURE:

Electronic Signature of Registered Agent Date

Officer/Director Detail :

Title	DIRECTOR	Title	PRESIDENT, DIRECTOR
Name	SHAMON, DOUG	Name	COOKE, KEN
Address	6451 N. FEDERAL HIGHWAY, SUITE 1000	Address	6451 N. FEDERAL HIGHWAY SUITE 1000
City-State-Zip:	FORT LAUDERDALE FL 33308	City-State-Zip:	FORT LAUDERDALE FL 33308
Title	VP	Title	D
Name	WILLIAMS, BRAD	Name	ABBRECHT, TODD
Address	6451 N. FEDERAL HIGHWAY, SUITE 1000	Address	100 FEDERAL STREET 35TH FLOOR
City-State-Zip:	FORT LAUDERDALE FL 33308	City-State-Zip:	BOSTON MA 02110
Title	D	Title	D
Name	NELSON, JOSH	Name	PRENIER, MEGAN
Address	100 FEDERAL STREET 35TH FLOOR	Address	100 FEDERAL STREET 35TH FLOOR
City-State-Zip:	BOSTON MA 02110	City-State-Zip:	BOSTON MA 02110
Title	D	Title	CEO
Name	BOROM, MICHAEL	Name	PORTICE, JOEL
Address	100 FEDERAL STREET 35TH FLOOR	Address	6451 N. FEDERAL HIGHWAY SUITE 1000
City-State-Zip:	BOSTON MA 02110	City-State-Zip:	FORT LAUDERDALE FL 33308

Continues on page 2

I hereby certify that the information indicated on this report or supplemental report is true and accurate and that my electronic signature shall have the same legal effect as if made under oath; that I am an officer or director of the corporation or the receiver or trustee empowered to execute this report as required by Chapter 607, Florida Statutes; and that my name appears above, or on an attachment with all other like empowered.

SIGNATURE: BRAD WILLIAMS VICE PRESIDENT 04/14/2016

Electronic Signature of Signing Officer/Director Detail Date

Figure 4: The above is the most recent Sunbiz report captured from the Sunbiz.org site.

5. Ownership interests;

Intermedix is a closely held corporation with a limited number of shareholders.

6. Active business venues (counties, states, etc.);

Intermedix serves clients in all 50 states. We are the EMS industry leader in EMS revenue management services, providing innovative solutions that fund EMS services. We work with over 300 EMS and Fire Departments nationwide, including 26 of the nation's largest 64 cities

who outsource their EMS billing program. Our experience, expertise and investment in technology allows us to achieve revenue gains for our customers year after year, while protecting them with a strict, effective compliance program. Of more significance to the County is our unrivaled presence in the State of Florida. We bill for over 60 municipalities and process nearly 900,000 billable incidents per year. We currently contract with 30 municipalities to provide PEMT cost reporting services.

7. Present status and projected direction of business;

Intermedix is a market leader in data analytics and cloud-based technology. We deliver technologically advanced revenue cycle management, practice management and emergency management solutions on a global scale.

Of particular importance to the County is the revenue management services we provide to the EMS marketplace, which includes both billing and PEMT consulting services.

Intermedix is committed to continuous improvement of our products and solutions. We invest significantly in research and development and listen closely to client feedback through direct channels, user groups and surveys. This feedback along with our industry affiliations and levels of participation in the healthcare technology sector, allow us to stay ahead of industry challenges. As a result our solutions are successfully deployed at over 300 client sites.

8. The overall qualifications of the business to provide the services requested;

Intermedix currently provides EMS revenue cycle management services to more than 65 agencies across the state of Florida. Since 1978, we have continually worked to ensure our Florida clients are given the best service followed by outstanding results – year after year. These efforts speak for themselves as we now have the honor of serving more than 60% of the Florida EMS market.

- **A team with deep roots in PEMT.** Our partner, PCG is an established, nationwide consulting firm with 61 offices and a presence in all 50 states (e.g., hospitals, school districts, public health agencies, behavioral healthcare agencies and ambulance service providers). With their 30 years' experience working with state and local governmental agencies combined with Intermedix, the Team serving the County has nearly 70 years of expertise to offer.
- **Regulatory and subject matter expertise.** The Team has many staff with healthcare regulatory expertise, proficiency in financial management and strong technical and operational skills. We have successfully recovered hundreds of millions of dollars for our clients. PCG are experts in OMB Supercircular (2 CFR Part 200) and Medicare/Medicaid principles of reimbursement and CMS cost reporting requirements. In addition, our staff are trained and certified by HHSC to prepare ambulance supplemental payment program costs reports.

The Team has the most qualified subject matter experts (SMEs) in Medicaid cost reporting. Our project team includes a nationally recognized Medicaid regulatory expert with over 40 years of experience, and a technical advisor who had oversight for provider rate setting, and cost settlement, billing services and cost recovery projects for over 18 years. Together, they have designed and built cost reporting programs for a number of state Medicaid agencies and they manage the development and submission of hundreds of annual federal cost reports for public service providers.

9. The qualifications of the firm’s employees who will work on the resulting Contract, including resumes demonstrating the experience of the personnel that will be directly involved with this project;

Figure 1 provides an at-a-glance view of resources dedicated to this engagement. In further support, we have provided resumes for your review in Attachment 1.

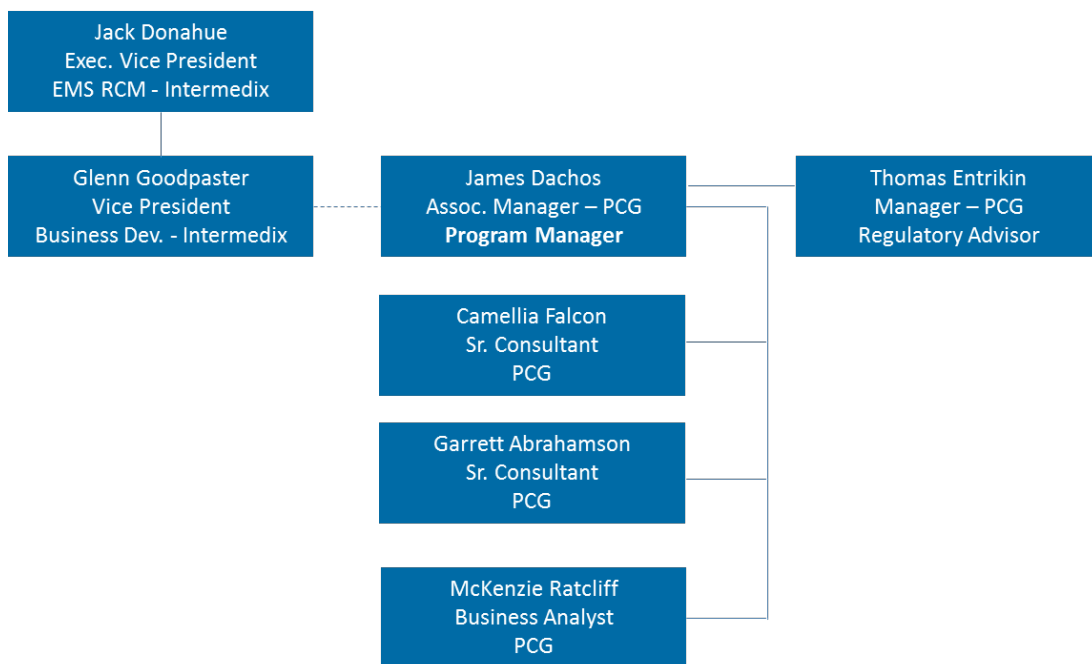
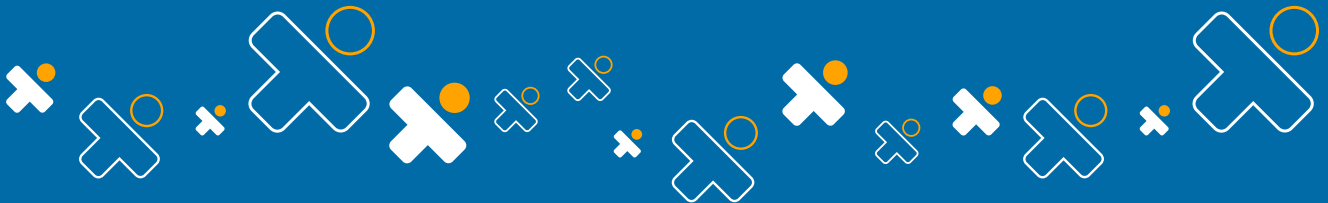


Figure 5: The Team, which consists of both Intermedix and PCG professionals, will be collaboratively working with the County in realizing and capturing revenue.

Tab 2 - Familiarity with PEMT Program



Tab 2. Familiarity with PEMT Program

Provide a succinct description of Contractor’s familiarity with the documents detailed in Exhibit B and D, along with Chapter 401, Florida Statutes.

As previously mentioned, Intermedix is proud to partner with PCG (the Team) to complete the work outlined under the request for statement of qualification. Combined, the Team brings an unmatched familiarity with the Florida PEMT team, an established relationship with AHCA, and the experience of being the national leader in EMS revenue maximization projects.

We draw on each of these to continuously deepen and update our familiarity with both the Florida program specifically, and cost reporting trends and best national practices.

The team far exceeds the requests regarding familiarity with the PEMT program outlined by the County. We are also prepared to bring this expertise to this engagement for the maximum benefit of the County.

Our relationship with AHCA keeps our familiarity current and relevant

The Team has cultivated a relationship with AHCA, the state agency overseeing the PEMT Program, and the specific requirements and procedures of the program as outlined in Exhibit B and Exhibit D, the cost report template. This relationship is continuously visited through our work on behalf of our Florida provider clients. Since program inception in October 2016, we have helped more than 30 Florida entities file for more than \$15 million in claims, which are on track to be delivered to our clients this coming spring. In addition to managing the Fee-for-Service Certified Public Expenditure project, we are working with the Florida Medicaid agency to develop a Managed Care Organization reimbursement process for subsequent years of the project

To be best prepared to meet the terms and requirements of the program, we began preparing for the PEMT program well before program inception. By working with more than 30 Florida clients to file their reports in the inaugural round, we played an integral role to appropriately interpret Federal CMS regulations, translate the client working data (as regulated by Florida statutes, chapter 401) into the AHCA template (Exhibit D), and monitor updated guidance as it was made available.

In addition to using our knowledge to the maximum benefit of the County, we will act as a liaison to AHCA throughout program implementation, cost report submission and payment processes. Responses will be expeditiously drafted to address questions that arise during AHCA desk reviews, and we will work with AHCA to accelerate supplemental payments to the County.

Familiarity with the program is demonstrated through our successful Florida expertise

We have taken the lead amongst vendors assisting Florida's EMS providers in program implementation and preparation of costs. Through Federal Fiscal Year (FFY) 2016, EMS providers working with us will realize more than \$15 million in additional revenues as a result of the PEMT Program.

We have worked with a host of Florida EMS providers to implement the program. In working with some of the state's largest fire departments, stand-alone EMS providers, along with smaller cities, hospital and health districts, we have come to understand the unique challenges and requirements that providers face in program implementation. We draw off our experience and develop a customized approach to meet each client's distinct needs.

Familiarity in Florida is strengthened by our nationwide and Medicaid expertise

No other team is more qualified as subject matter experts in Medicaid cost reporting. Our project team for this engagement includes a nationally recognized Medicaid regulatory expert with more than 40 years of experience and a technical advisor who has provided oversight for provider rate setting, cost settlement, billing services and cost recovery projects for more than 18 years. Together, they have designed and built cost reporting programs for a number of state Medicaid agencies and they manage the development and submission of hundreds of annual federal cost reports for public service providers.

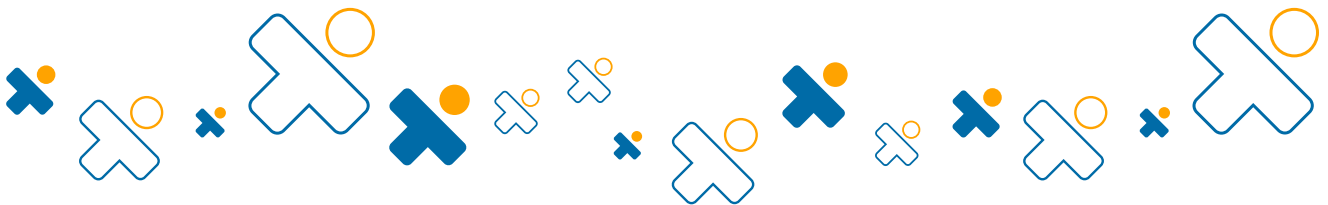
Our Team has deep roots in PEMT and includes an established, nationwide consulting firm with 61 offices and a presence in all 50 states (e.g., hospitals, school districts, public health agencies, behavioral healthcare agencies and ambulance service providers). With PCG's 30 years' experience working with state and local governmental agencies combined with Intermedix, the Team serving the County has nearly 70 years of expertise to offer the county.

The Team that will serve the County has many staff with healthcare regulatory expertise, proficiency in financial management and strong technical and operational skills. We have successfully recovered hundreds of millions of dollars for our clients. PCG are experts in OMB Supercircular (2 CFR Part 200) and Medicare/Medicaid principles of reimbursement and CMS cost reporting requirements. In addition, our staff are trained and certified by HHSC to prepare ambulance supplemental payment program costs reports.

The Team is comprised of the most qualified subject matter experts (SMEs) in Medicaid cost reporting. Our project team includes a nationally recognized Medicaid regulatory expert with over 40 years of experience, and a technical advisor who had oversight for provider rate setting, cost settlement, billing services and cost recovery projects for over 18 years. Together, they have designed and built cost reporting programs for a number of state Medicaid agencies and they manage the development and submission of hundreds of annual federal cost reports for public service providers.

Volusia County

Statement of Work



Statement of Work

- A. County of Volusia's Emergency Medical Services (EMS) Division provides countywide ambulance and medical services some of which will qualify for the PEMT Program for Medicaid. The County must comply with both U.S. Department of Health and Human Services under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act and as such, Contractor shall comply.**
- 1. Contractor activities shall comply with the Standards for Privacy of Individually Identifiable Health Information, Health Insurance Reform Security Standards that is published by the HIPAA, and Gramm-Leach-Bliley Act (GLB) and Business Associate Agreement - Exhibit E.**
 - 2. Contractor shall consider all data provided as confidential information. Contractor shall not release any confidential information without prior written consent from the County.**
 - 3. Contractor shall inform the County, according to HIPAA guidelines, of any breach of confidential information. This includes unintentional data breaches such as mailing to unintended recipients.**
 - 4. The awarded Contractor shall be required to execute the attached Exhibit E - Business Associates Agreement as written.**

The Team will ensure compliance with all guidelines regarding the handling of confidential information.

The Team will take necessary steps to:

- Assure appropriate protections and controls are developed and followed
- Apply appropriate standards such as those outlined in NIST 800-53, ISO 27001, etc.
- Comply with pertinent regulations governing the access to protected data such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act

As a hosted solution provider, we acknowledge and accept that it is incumbent on every service provider to enable proper protection and control for the management and safe-keeping of our data, and particularly for the data that we are entrusted to store on behalf of our clients. If any unintended data breach of confidential information should occur, we shall inform the County per guidelines outlines by the HIPPA.

- B. The County of Volusia (County) provides emergency medical transports to approximately seven hundred (700) Medicaid patients each year and is soliciting**

a Contractor to complete the required paperwork for the County to participate in the Public Emergency Medical Transports (PEMT) Program.

While the PEMT Program requirements do not include annual enrollment, the Team will continue to provide the County with advice and representation with AHCA and will monitor any changes in PEMT application criteria. We will provide Medicaid subject matter expertise and will draft responses to any of AHCA's requests for additional information regarding the County's PEMT eligibility status. In addition, we will work to provide the County with relevant programmatic updates including changes in reporting requirements. We will be an important source of information for the County's purposes of participating in the PEMT.

C. This Program provides for supplemental payments for allowable costs that are in excess of other Medicaid revenue received for emergency medical transportation services to Medicaid eligible recipients.

The Team will work with the County to identify allowable costs that are in excess of other Medicaid revenue received for emergency medical transportation services to Medicaid eligible recipients that allows the County generate maximum allowable revenue while mitigating audit risk.

D. Contractor shall be familiar with the PEMT Program in the State of Florida and all the rules, regulations and requirements associated with the Program.

As mentioned in Section 4.0, Tab 2, Familiarity with the PEMT Program, we have extensive knowledge of state and federal Medicaid billing and reimbursement requirements. We continuously reviews regulations and legislation at both the state and federal levels to ensure that claiming practices are current. Our legal and regulatory staff reviews the OIG, CMS and other audits throughout the nation, some of which result in policy modifications. We will review whether any of these reforms could impact the County and make suggestions to enhance procedures proactively addressing the concerns outlined in other audits.

E. The Contractor shall have the knowledge, skills, and ability to fully complete the required cost reports to the Agency for Health Care Administration (AHCA) within the time frame prescribed in Exhibit B.

The Team accepts the full administrative burden of cost report preparation and will ensure that County staff is closely involved in the cost report review process before submission to AHCA. We will work towards establishing protocols and processes that the County can easily replicate in generating the information that will ultimately result in the transfer of funds from AHCA. In addition, we will ensure the cost report preparation phase is the point of the project where the processes and procedures are put in place at the County to allow for the processing and payment of the supplemental funding. This phase will also put in place the checks and balances needed to ensure that the County complies with necessary government accounting standards and Medicaid regulations related to cost reporting and payment processing.

F. Contractor shall have knowledge of the data and cost reporting principles specified in Chapter 401, Florida Statutes.

As mentioned in Section 4.0, Tab 2, Familiarity with the PEMT Program, we are equipped with staff who are experienced and knowledgeable of the data and cost reporting principles specified in Chapter 401, Florida Statutes. We have vast experience working on cost reports throughout the state of Florida, as well as in many states throughout the country.

G. Contractor shall have knowledge and experience in the completion of all ten (10) Schedules as required by the Program.

We are the most experienced vendor in successfully completing all ten (10) schedules in Exhibit D of the RSQ. The Team will develop and finalize the allocation methodologies that will be used to allocate costs, with a focus on developing a conservative approach to cost determination. Our cost reporting work will focus on compliance and audit risk minimization, ensuring that all included costs meet OMB Supercircular (2 CFR Part 200) requirements and be sufficiently accounted for in auditable financials.

We are the only vendor that will use a web-based cost reporting tool in addition to the hands-on analysis from a team of cost reporting experts. While serving as the hub for data collection, our proprietary system also implements real-time validation checks for quality assurance and accuracy. The information collected from this system will be used to satisfy the reporting requirements for all components of the PEMT Program. As an additional bonus, the approach to unify reporting into a single tool will give the County the capability to access reports from the universe of data stored in the multifunctional system.

H. The County will provide the Vendor with all of the required data needed to complete the Schedules; however, the Vendor is responsible for accurate completion of the Schedules.

The Team will work closely with County staff to collect the necessary billing, expenditure, revenue and other statistical information required to prepare and submit the annual cost report. We are the only vendor that will use a web-based cost reporting tool in addition to the hands-on analysis from a team of cost reporting experts. While serving as the hub for data collection, our proprietary system also implements real-time validation checks for quality assurance and accuracy. The information collected from this system will be used to satisfy the reporting requirements for all components of the PEMT Program. As an additional bonus, the approach to unify reporting into a single tool will give the County the capability to access reports from the universe of data stored in the multifunctional system.

I. Contractor shall be able to accept from the County, in electronic submission form, all information via a secure connection in accordance with the Health Insurance Portability and Accountability Act (HIPAA).

We have the capability to securely accept electronic submission of confidential data. And, as mentioned above, we will electronically accept from the County, all Information securely in accordance with HIPAA.

J. If the completed cost report is rejected by AHCA, Contractor shall work with the County to make the necessary corrections and/or modifications and resubmit the report before the required filing deadline.

The Team will address AHCA's questions and findings during the desk review process. This includes drafting responses, providing supporting documentation, and conducting comprehensive billing reconciliations should there be questions regarding the billing data. Leveraging a close working relationship with AHCA, we will be able to assist the County in swiftly resolving any issues that may arise during AHCA's review of the cost report. We will also be responsible for providing supporting documentation, drafting responses and undertaking financial accountability during a potential federal audit. We build and maintain a strong collection of supporting files that is well-organized and readily accessible in the event of an audit.

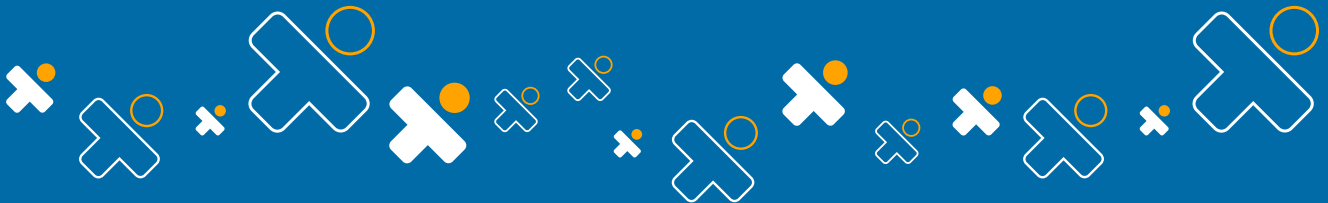
K. Contractor agrees to receive compensation for contracted Services on a contingency fee basis. This compensation will be based on payments received by the County under the PEMT Program.

As mentioned in Section 4.0, Tab 4 Costs, Intermedix agrees to receive compensation for contracted services on a contingency fee basis.

L. If, as a result of an audit by ACHA, a refund is required by the County, the Contractor agrees to return the portion of the compensation fee that was paid on the amount being refunded.

As mentioned in Section 4.0, Tab 4 Costs, if, as a result of an audit by ACHA, a refund is required by the County, Intermedix agrees to return a portion of the compensation fee that was paid on the amount being refunded.

Tab 3 - Methodology



Tab 3. Methodology

Submittal shall include a narrative of the approach to the project and how the Contractor intends to manage the contract. Submittal also shall include an estimated timeline of the project, noting milestones and dates for deliverables.

We have a complete understanding of the requirements outlined in the request for qualification. Our approach to this work is described below. It includes our project management approach, a timeline, milestones and deliverables for the project. This approach is based not only on our successful implementation with other PEMT projects, but also on our process improvement analysis of our past PEMT work.

Our methodology is deliberate, focuses on coordination and communication, and is designed to make the process as seamless as possible.

Phase 1: Project Kickoff and Implementation

In this preliminary phase, the Team will work with the County to establish a stakeholder group that will be involved in the cost reporting process. Once the key stakeholders are identified, we will schedule a project kickoff meeting with the appropriate individuals to understand and discuss project expectations and specific roles and responsibilities. This will allow us to further develop our project statement of work and fully refine the project plan. In addition, we will submit to the County, an overview of the Medicaid cost report provided in Exhibit D of the RSQ and provide a cost settlement analysis to estimate the potential reimbursement from the PEMT Program. We will also work with the County to form a communication plan to establish protocols and timeframe for future status meetings based on the County's preferences.

Lastly, we will provide a data request to the County to begin the process of completing the cost report. The items request will include, but is not limited to:

- Provider-specific identifier numbers
- Computer Aided Dispatch (CAD) Data
- Capital Usage
- Expenditures for the provider
- Employee data
- Indirect Cost Rate Proposal

- Provider revenue received
- Depreciation detail
- Billing data

The purpose of collecting this data is to determine the allowable costs that are in excess of other Medicaid revenue that the eligible PEMT entity receives for providing Emergency Medical Transportation services to Medicaid recipients [as outlined in Exhibit B of the RSQ]. This data will be used to provide the content for the Medicaid cost report as defined in Exhibit D of the RSQ.

Phase 2: Cost Report Preparation

This phase will specifically focus on the preparation of the annual cost report as well as any necessary supporting documentation to allow the County to receive supplemental payments. During this phase, we document processes and identify strengths, weaknesses and mitigating controls, proactively offering recommendations for strengthening compliance, especially in relation to Chapter 401 of the Florida Statutes. We will leverage our knowledge of state and federal Medicaid billing and reimbursement requirements to make recommendations to the County as the team learns about your data. Additionally, our staff constantly reviews regulations and legislation at both the state and federal levels to ensure its claiming practices are current. Our legal and regulatory staff reviews the Office of Inspector General (OIG), Centers for Medicare and Medicaid Services (CMS), and other audits throughout the nation, some of which result in policy modifications. We will review if any of these reforms could impact the County and make suggestions to enhance procedures, thus proactively addressing the concerns outlined in other audits.

The cost report preparation phase of the process involves managing the PEMT pre-cost report submittal process for the County. This includes:

- Collecting provider information securely via electronic submission
- Uploading of data into our web-based reporting tool
- Reviewing all submitted data to determine eligible costs for reimbursement under the PEMT program
- Gaining County sign off during a pre-determined status meetings per the communication plan established in the kickoff meeting

These items are further outlined below.

Collect Provider Information

The first step of this process is collecting provider information per the data request discussed in the kickoff meeting. The transmission, collection and storage of this data in an electronic

format has increased the focus and importance of creating appropriate protection and controls for data that is sensitive and/or protected. As a hosted solution provider, we acknowledge and accepts that it is incumbent on every service provider to enable proper protection and control for the management and safe-keeping of our data, and particularly for the data that we are entrusted to store on behalf of our clients.

The Team will take necessary steps to:

- Assure appropriate protections and controls are developed and followed
- Apply appropriate standards such as those outlined in NIST 800-53, ISO 27001, etc.
- Comply with pertinent regulations governing the access to protected data such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act

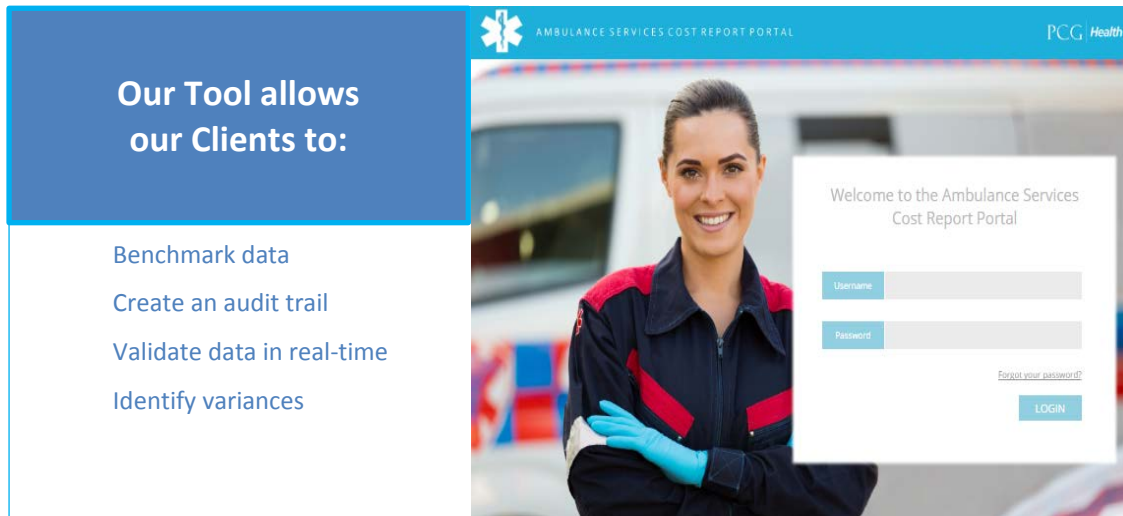
We recognize that having a robust security program is critical in minimizing the impact of threats inherent in today's computing environments. We are committed to maintaining a healthy process of periodic audit and review of our program to assure that we are accomplishing our, and the County's goals and objectives in protecting sensitive data, and to assure that the plan evolves to address an ever-changing environment and threat landscape over time.

Once the requested data is uploaded, we will identify the need for any additional data and communicate with the County to ensure a timely completion of the Medicaid cost report. When all of the required data is submitted by the County, we will provide the County a data summary for approval at a pre-determined status meeting. After the first year of data collection, PCG will identify any shifts in the data provided in years prior.

Review Provider Information

We are the only vendor that will utilize a web-based cost reporting tool in addition to the hands-on analysis from a team of cost reporting experts.

Our web-based cost reporting tool is an invaluable resource in performing data validation in real-time, as data is collected. Immediately upon entry, our team will be able to identify variances and discuss their acceptance with the County. We have the ability to change the allowable variance limits to be aligned with updated guidance from AHCA or County preferences. The web-based tool also allows the team to give the County feedback on how their expenses compare to other providers for benchmarking purposes. The paragraphs below describe this process and further benefits of using this tool.



Our Tool allows our Clients to:

- Benchmark data
- Create an audit trail
- Validate data in real-time
- Identify variances

Once all data is received from the County, we will input the data into the online tool. As mentioned above, our proprietary system will perform real-time validation checks for quality assurance and accuracy. The information collected from this system will be used to satisfy the reporting requirements for all components of the Ambulance Supplemental Payment (PEMT) Program.

As an additional bonus, the approach to unify reporting into a single tool will give the County the capability to access reports from the universe of data stored in the multifunctional system.

The Team will communicate with the County throughout the data review process with status updates and any clarification questions regarding the data during status meetings for updates. The cost reporting work will focus on compliance and audit risk minimization, ensuring that all included costs meet OMB Supercircular (2 CFR Part 200) requirements and be sufficiently accounted for in auditable financials. After the data is reviewed, we will provide the County with a decision summary for sign off before beginning the process of the cost report preparation. During this phase, we will draw on our access to and history with other Florida provers, as well as our established relationship with AHCA, to provide guidance on necessary determinations such as allowable and shared costs.

Our tool, combined with our book of Florida clients allows us to provide the County with blinded benchmark data. The County may have an interest in seeing how their cost per transport compares to departments of similar size or with a comparable call volume.

With a user-friendly interface, data input and cost settlement calculations will be streamlined. We implement year-to-year comparisons of billing and expenditures data and identify any

areas in which significant changes occur. Because all data is collected in this system, an audit trail is created as the cost report is completed. In addition to the data trail created in the system, the system captures and stores:

- Supporting documentation (including a crosswalk to external files)
- A crosswalk through allowable cost determination
- Notes for any variances identified

Because this is created as the cost report is completed, questions from AHCA or an audit request will not be a cause for concern. In almost all cases, we will have the information ready to respond to additional requests without surplus information needed from the County.

The Team looks forward to using the web-based tool, as well as the vast cost report experience mentioned above to assist the County in the successful completion of the Medicaid Cost Report.

Phase 3: Cost Report Submission and Desk Review

We accept the full administrative burden of cost report preparation, and will ensure that County staff is closely involved in the cost report review process before submission to AHCA. We will work towards establishing protocols and processes that the County can easily replicate in generating the information that will ultimately result in the transfer of funds from AHCA.

Prepare Cost Report Submission Package

We will complete all ten (10) schedules outlined in the Emergency Medicaid Transportation Integrated Disclosure and Medicaid Cost Report in compliance with the format provided by AHCA [included as Exhibit D of the RSQ]. This includes using the web-based tool described above to complete the required schedule. A demonstration of the web-based tool will be presented to the County and we will provide a preliminary cost report with anticipated settlement results.

Review Cost Report to Identify and Address Audit Risk

We will review the cost report and identify all outstanding potential audit risks with the County. We will suggest potential remedies to reduce audit risk and update the cost report accordingly as needed. During this stage, we will anticipate any possible question of the cost reported by finalizing notes addressing potential questions or clarifications on the cost report. In addition, we will provide the County with supporting documentation linking the reported data to the documentation delivered during the data collection process.

Submit Completed Cost Report Package to AHCA

We will supply the County with a cost report submission package that includes the completed cost report, supporting documentation of financials, and any additional documentation requested by AHCA. In addition, we will provide the County with an in-depth final report review before submission. This ensures all stakeholders and the individual certifying the report sign off on the cost report before submission. After the report is approved by the County, we will provide instructions for submission.

Address Feedback of AHCA Review of Cost Report

The AHCA's questions and findings will be addressed during the desk review process. This includes drafting responses, providing supporting documentation and conducting comprehensive billing reconciliations should there be questions regarding the billing data. Leveraging a close working relationship with ACHA, we will be able to assist the County in swiftly resolving any issues that may arise during ACHA's review of the cost report. We will also be responsible for providing supporting documentation, drafting responses, and undertaking financial accountability during a potential federal audit. We build and maintain a strong collection of supporting files that is well-organized and readily accessible in the event of an audit.

We will work closely with the County to help maintain the highest levels of compliance and program integrity while maximizing the County's revenue to the greatest extent possible. Ongoing in-depth assessment will be performed and we will work with County staff to provide status updates and written reports for internal stakeholders.

Phase 4: Ongoing Support

We will continue to provide ongoing support to the County after the completion of the cost report and subsequent reviews. These ongoing tasks include:

- Continuing to provide policy updates from AHCA and Centers for Medicaid and Medicare Services (CMS) regarding any updates or changes to the program
- Communicating any updates from AHCA relating the date of anticipated reimbursement from the PEMT program
- Providing audit support in the event of an audit by the state, CMS, or the Office of Inspector General (OIG)

We will also provide the County with additional services aimed at increasing ambulance service revenues. In addition, we provide charge master review services to ensure that the department is optimizing charges to drive revenue generation. We understands the political complexities associated with increasing charges and provide the necessary support and analysis to present to stakeholders.

Sample Detailed Work Plan:

The detailed Work Plan outlined on the following pages, illustrates our proposed schedule to complete each task outlined above. We propose this schedule with the understanding that some of the projected timeframes are contingent upon time sensitive requests for data and County-specific reporting that must be completed within the allotted amount of time.

The highlighted cells in the table represent items that will be discrete deliverables the County and project team can use to track the progress. Once a contract is signed, the team will provide a detailed timeline with actual dates that can be put in any appropriate contractual documents.

PCG Health Public Focus. Proven Results.™		County of Volusia EMS Revenue Maximization Initiative Work Plan			intermedix		
Phase	Task	Task Description	Responsible Party	Month To Be Completed (of each year)			
Phase 1: Project Kickoff & Implementation	Project Kickoff	1.1	Establish stakeholder (working) group	All	April		
		1.2	Schedule project kickoff meeting with stakeholder group	PCG	April		
		1.3	Provide PEMT overview and background on PEMT cost report and timeline	PCG	April		
		1.4	Provide cost settlement estimate	IMX, PCG	April		
		1.5	Establish communications protocols and timeline for ongoing status meetings	PCG	April		
		1.6	Hold project kick off meeting with stakeholder group	All	April		
		1.7	Share initial data request with the County	PCG	April		
Phase 2: Cost Report Preparation	Collect Provider Information	2.1.1	Provide data via secure website	County	May - June		
		2.1.2	Continue to discuss requested data and address gaps or outstanding questions or concerns from the County	PCG	May - June		
		2.1.3	Upload data to web-based reporting tool	PCG	May - June		
		2.1.4	Identify outstanding additional data needed on an ongoing basis	PCG	May - June		
		2.1.5	Obtain claiming information from biller	IMX	May - June		
		2.1.6	Follow up to identify shifts following close of the County fiscal year	PCG	May - June		
		2.1.7	Provide County with data summary for sign off	PCG	May - June		
	Review Provider Information	2.2.1	Review computer aided dispatch (CAD) data	PCG	May - June		
		2.2.2	Review federal revenues received	PCG	May - June		
		2.2.3	Review overall expenditures and depreciation	PCG	May - June		
		2.2.4	Review basis for allocation statistics including capital usage, number of full-time employees and hours, indirect cost reporting proposal	PCG	May - June		
		2.2.5	Review paid claims data	All	May - June		
		2.2.6	Review automated system edits and follow-up with the County regarding any outliers	PCG	May - June		
		2.2.7	Conduct manual review for additional unusual items or discrepancies	PCG	May - June		
		2.2.8	Ensure data is consistent with audited financial statements, ambulance fee schedule and collections policy for outstanding accounts	PCG	May - June		
		2.2.9	Review shifts following close of the County fiscal year	PCG, County	May - June		
		2.2.10	Provide County with decision summary for sign off	PCG	May - June		
		Phase 3: Cost Report Submission and Desk Review	Prepare PEMT Cost Report Submission Package	3.1.1	Demonstrate FL PEMT Cost Reporting Tool	PCG	July - September
				3.1.2	Review provider questionnaire and identify additional required documentation for submission package	PCG	July - September
3.1.3	Allocate expenditures between Schedule 2 (MTS), Schedule 3 (Non-MTS) and Schedules 4 and 5 (Shared)			PCG	July - September		
3.1.4	Conduct analysis comparing allocation options for shared expenses including automated allocation and indirect cost rate			PCG	July - September		
3.1.5	Finalize allocation process and attachments to report submission package relating to allocation (Schedule 9, Notes)			PCG	July - September		
3.1.6	Identify reclassifications and adjustments (Schedules 6 and 7)			PCG	July - September		
3.1.7	Allocate federal revenues between MTS and Non-MTS (Schedule 8)			PCG	July - September		
3.1.8	Enter Medicaid revenues from detailed claims data (Schedule 8)			PCG	July - September		
3.1.9	Enter trips by quarter from paid claims summary (Schedule 9)			PCG	July - September		
3.1.10	Input notes for required notes field as well as notes linking each cost report data component to the supporting documentation			PCG	July - September		
3.1.11	Populate trips and Medicaid revenues based on paid claims data			PCG	July - September		
3.1.12	Complete certification page			PCG, County	July - September		
3.1.13	Provide preliminary cost report and anticipated settlement results			PCG, County	July - September		

Phase	Task	Task Description	Responsible Party	Month To Be Completed (of each year)	
Phase 3: Cost Report Submission and Desk Review	Review cost report to identify and address audit risks	3.2.1	Review and discuss all outstanding audit risks with the County	PCG, County	July - September
		3.2.2	Update cost report as needed to reduce audit risks	PCG	July - September
		3.2.3	Finalize notes to address desk review edits, link reported data to documentation provided and enter required notes (contractors, allocation methodology and blank worksheets)	PCG	July - September
	Submit completed cost report package to AHCA	3.3.1	Identify officer or County administrator who will certify report	County	November
		3.3.2	Provide in-depth final report review with cost report certifier and other stakeholders	PCG	November
		3.3.3	Compile submission package including cost report, supporting documents for indirect cost factor (if applicable) and Provider Cost Report Questionnaire documentation (see 3.1.2 and 3.1.5)	PCG	November
		3.3.4	Review and finalize cost report package	PCG, County	November
		3.3.5	Submit excel and PDF copies of report to LIPProvidersReports@ahca.myflorida.com	County	November
		3.4.1	AHCA to provide feedback on initially submitted report	AHCA	December
	AHCA Review of Cost Report	3.4.2	Review initial comments from AHCA	PCG, County	December
		3.4.3	Submit clarification request or schedule call with AHCA to review comments (as needed)	PCG, County	December
		3.4.4	Address comments from AHCA with written responses or updates to the cost report submission package	PCG, County	December
		3.4.5	Review all updates to report submission package with the County prior to submission	PCG, County	December
		3.4.6	Recertify and submit cost report as needed	County	December
Phase 4: Ongoing Tasks	Ongoing Tasks	4.1.1	Continue to provide policy updates to County relating to year 2 of PEMT reporting	PCG	Ongoing
		4.1.2	Conduct charge master analysis for ambulance services charges	PCG	Ongoing
		4.1.3	Present recommendations for charge master rebalancing	PCG	Ongoing
		4.1.4	Render payment to County	AHCA	Ongoing
		4.1.5	Provide ongoing audit support in the event of a state/CMS/OIG audit	PCG	Ongoing

Project Management Approach

We have reviewed and are prepared to meet all the requirements outlined in the Methodology request, specifically as outlined in Exhibit A: Scope of Services. Additionally, we outline our project management approach in this section, which will be applied to this work. We work with the County to create a project work plan that fulfills the needs of this project and allow for a successful vendor/client partnership.

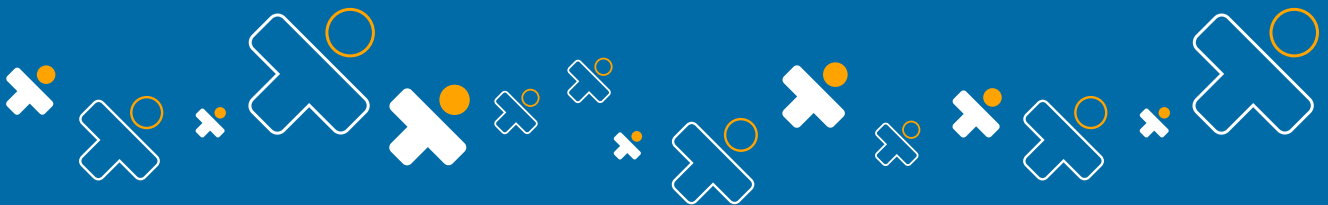
Each project is managed according to the PMBOK® Project Management Process. This team will include a Project Management Professional who will ensure that each phase (Initiating, Planning, Executing, Monitoring and Controlling, and Closing (depicted below), will follow specific steps and create or monitor certain documents during each of these phases in order to ensure the project is efficiently managed and meeting all project requirements.

Additionally, our project team will draw on expertise and guidance from our internal Project Management Office (PMO) to bring the most updated and applicable methodologies to this project during all five phases of the project life cycle. A detailed description is provided in the following table.

Life Cycle Phase	Description
Initiating	<p>When we prepare a response to a client’s RSQ, the Initiation phase of the project life cycle begins. During initiation for this project, the PCG project team evaluated the RFP, ensuring that we possess the necessary resources to carry out the project work. The project team then collaborated to create high-level project documents based on the scope of work. These documents are an advance planning measure to provide initial estimates of the project’s scope, budget, and resource needs. They will be refined once project work begins and PCG gathers more detailed project requirements from stakeholders.</p>
Planning	<p>The second piece of the project life cycle, Planning, begins once we and the client sign the project contract. Following contract approval, we will plan a brief phone call with the DSS contact to precede the project’s kick-off meeting. During this call, the client and the project manager will review the Statement of Work together to form an identical understanding of the project. This brief meeting establishes a mutual consensus of the project’s structure and goals, and enables us and the PMO to better refine the preliminary project documents for the kick-off meeting.</p> <p>The planning phase concludes with the project kick-off meeting. At this meeting, we will gather detailed requirements from the project stakeholders, allowing us to finalize the project’s Work Breakdown Structure (WBS), Schedule, and Communications Matrix. We will also use this meeting time to review potential risk factors with stakeholders in order to compile the initial Risk Register. Once these documents are complete, PCG will send them to the County for a final approval and signoff.</p>
Executing	<p>The third piece of the project life cycle is the execution phase. During this time, we conduct project work according to the Project Management Plan. While project work is underway, our project manager will gather team performance data (to be analyzed in Monitoring and Controlling), improve project efficiency, conduct meetings, and implement any approved changes resulting from the Change Management Process. If needed, the project manager will also request changes to the project during this phase, which the stakeholders can approve or reject.</p> <p>However, meeting frequency will be established upon finalization of the Communications Matrix during project kickoff.</p>
Monitoring and Controlling	<p>The fourth phase is Monitoring and Controlling, which occurs throughout the entire project life cycle. In Monitoring and Controlling, the project manager will continually analyze the team performance data gathered during Executing to see if project work is being conducted according to the Project Management Plan. In the event that a potential variance from the project scope is identified, PCG and the project stakeholders will initiate the Change Management process.</p> <p>The Change Management Plan is created during the Planning phase. This document outlines the process to be employed in the event that a change is proposed to any aspect of the project scope. All proposed change should be</p>

Life Cycle Phase	Description
	in the form of a change request, which can be submitted to the project manager by any project team member or stakeholder.
Closing	The final phase in the project life cycle is Closing. This step allows us to evaluate our project performance. To begin this phase, we ensure we have received client signoff on all deliverables. However, evaluation of our performance doesn't end with client signoff. We will also send the County an online Client Feedback Survey, which allows project stakeholders to provide feedback on the project. Together, we can also discuss the parameters for the follow up work requested by the County. To complete Closing, the project team will collectively fill out an internal Lessons Learned survey to reflect on our project successes and areas for improvement. The collaborative survey response process gives us the chance to learn from past performance so that our work, and more importantly, our client service, continually improves.

Tab 4 - Cost



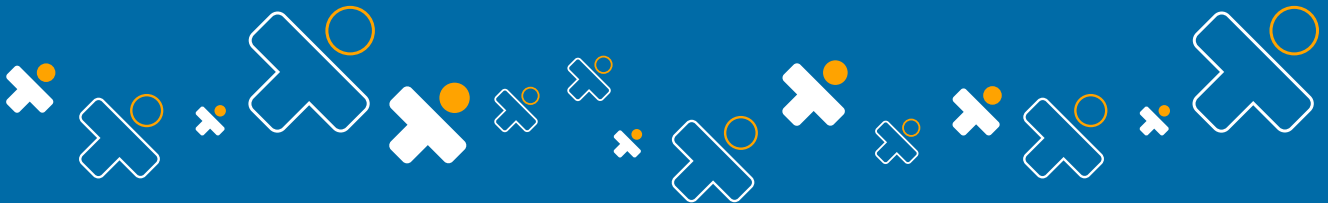
Tab 4. Cost

Complete the section of the Proposal Form, Section 5.0, requesting the contingency fee percentage rate the Contractor proposes to charge to perform the services detailed in Exhibit A, Scope of Services.

Please refer to the Proposal Form provided in Tab 7 of our response (according to RFQ instruction).

Volusia County

Tab - 5 References



Tab 5. References

Provide three (3) references of the same or similar magnitude to this solicitation request, including company name, contact person, phone number and e-mail address. Provide a short description of each project, including the name of the project, location, type, value, and current contact information. The County of Volusia shall not be listed as a reference. (See Section 6.0).

Agency #1	Miami-Dade County	
Address	9300 NW 41st Street	
City, State, Zip	Doral, FL 33178	
Contact Person	Scott Mendelsberg	
Email	Scott.Mendelsberg@miamidade.gov	Phone:
Date(s) of Service	June 2016 - Present	
Type of Service	Emergency Medical Services (EMS) Revenue Maximization Services	
Value	\$556,000 (approximate)	
Comments:	<p>We were contracted to provide consulting services for Miami-Dade Fire Rescue Department (MDFRD) to implement the Public Emergency Medical Transportation (PEMT) Program, a federally approved program that provided additional reimbursement to governmental ambulance providers serving Medicaid fee-for-service patients. PCG partnered with MDFRD and the Florida Fire Chiefs Association to assist the Agency for Health Care Administration (AHCA) in launching the PEMT in 2016, being intricately involved in gaining Centers for Medicare and Medicaid Services (CMS) approval for the program through a comprehensive regulatory process. Upon inception of the program, we have continued to work closely with AHCA, Miami-Dade Fire Rescue Department, and other ambulance providers across Florida on program implementation and to identify all allowable revenue sources, ensure compliance, prepare annual cost reports, and offer audit support.</p>	

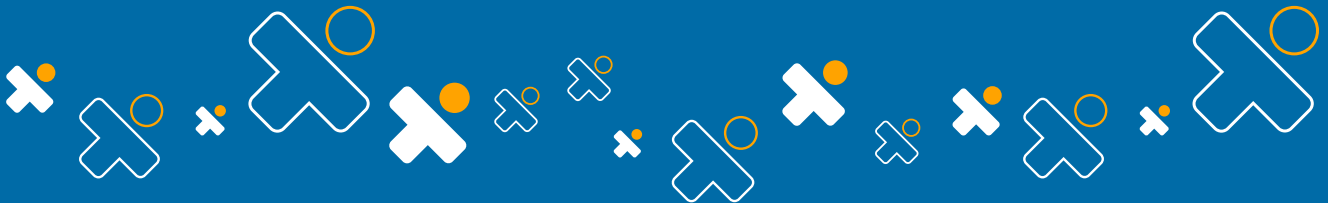
Agency #2	Orange County	
Address	Orange County Fire Rescue P.O. Box 5879	
City, State, Zip	Winter Park, FL 32792	

Contact Person	Otto Drozd	
Email	Otto.Drozd@ocfl.net	Phone: 407-836-9000
Date(s) of Service	June 2016- Present	
Type of Service	Emergency Medical Services (EMS) Revenue Maximization Services	
Value	\$106,000 (approximate)	
Comments:	<p>We were contracted to provide consulting services for Orange County Fire Rescue Department (OCFRD) to implement the Public Emergency Medical Transportation (PEMT) Program, a federally approved program that provided additional reimbursement to governmental ambulance providers serving Medicaid fee-for-service patients. We partnered with other Florida providers and the Florida Fire Chiefs Association to assist the Agency for Health Care Administration (AHCA) in launching the PEMT in 2016, being intricately involved in gaining Centers for Medicare and Medicaid Services (CMS) approval for the program through a comprehensive regulatory process. Upon inception of the program, we have continued to work closely with AHCA, Orange County Fire Rescue Department, and other ambulance providers across Florida on program implementation and to identify all allowable revenue sources, ensure compliance, prepare annual cost reports, and offer audit support.</p>	

Agency #3	Hillsborough County	
Address	9450 E. Columbus Dr.	
City, State, Zip	Tampa, FL 33619	
Contact Person	Irma Muka	
Email	mukai@HillsboroughCounty.org	Phone: (813) 301-7374
Date(s) of Service	August 2016- Present	
Type of Service	Emergency Medical Services (EMS) Revenue Maximization Services	
Value	\$117,000 (approximate)	
Comments:	<p>We were contracted to provide consulting services for Hillsborough County Fire Rescue Department (HCFRD) to implement the Public Emergency Medical Transportation (PEMT) Program, a federally approved program that provided additional reimbursement to governmental ambulance providers serving</p>	

	<p>Medicaid fee-for-service patients. We partnered with other Florida providers and the Florida Fire Chiefs Association to assist the Agency for Health Care Administration (AHCA) in launching the PEMS in 2016, being intricately involved in gaining Centers for Medicare and Medicaid Services (CMS) approval for the program through a comprehensive regulatory process. Upon inception of the program, we have continued to work closely with AHCA, Hillsborough County Fire Rescue Department, and other ambulance providers across Florida on program implementation and to identify all allowable revenue sources, ensure compliance, prepare annual cost reports, and offer audit support.</p>
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Tab 6 - Financial Stability



Tab 6. Financial Stability

A Dun and Bradstreet report may be used by the County to evaluate Respondent's financial stability. All Respondents shall be prepared to supply a financial statement upon request, preferably a certified audit of the last available fiscal year.

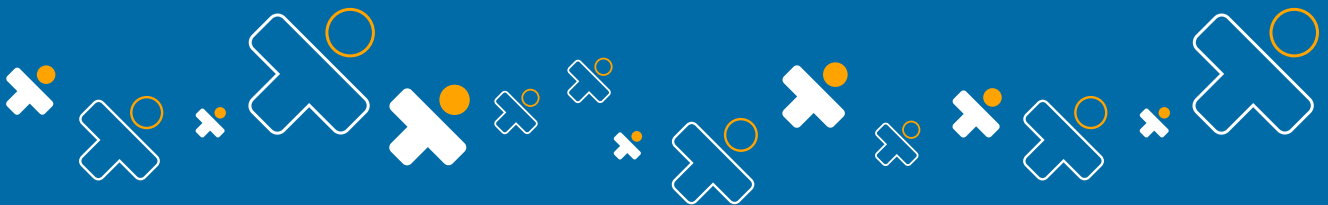
Intermedix is very profitable with a strong balance sheet, excellent cash flows and the backing of credible financial sponsors. We exceed financial expectations year after year.

Intermedix makes investments in technology and processes that deliver results for our clients. In addition to optimizing your revenue through our proprietary technology and services, we are positioned to help you adapt to a changing health care environment with additional business services and technology solutions. We are more than just a billing company - we are your partner.

We have provided our most recent Annual Report for your review as Attachment 3.

Volusia County

Tab 7 - Forms



Tab 7. Forms

Business Tax Receipt (BTR)

To be responsive to this solicitation, each Respondent who is currently required to have a Business Tax Receipt (BTR) at the time of submittal shall provide a copy of their current BTR in their response to this solicitation.

There are two exceptions to this submission requirement:

- 1. If Respondent's business does not have a physical location in Volusia County, no submission is required, or**
- 2. If Respondent's business type is exempted, submit the attached Proof of Exemption form approved by the Volusia County Revenue Director (see Section 8.0).**

See Volusia County Code of Ordinances, Part II, Code of Ordinances, Ch. 114, Taxation, Article I, at www.volusia.org/revenue/local-business-tax/business-tax-frequently-asked-questions.shtml

This is not applicable to our service offering.

Insurance

Attach evidence of required insurance coverage or proof of insurability in the amounts indicated. If available, a properly completed ACORD Form is preferable. Final forms must contain the correct solicitation and/or project number and name of Volusia County's contact person.

Firms that have owner/operators that have filed a "Notice of Election to be Exempt" shall submit a copy with the proposal. Respondent shall certify number of employees if sole proprietor. (See Section 9.0)

Incorporated and unincorporated firms that qualify for an exemption under the Florida Worker's Compensation law in Chapter 440 Florida Statutes shall submit an executed waiver relieving the County of liability in the event they are injured while providing goods and/or services to the County.

Please refer to Tab 7 for a copy of our Certificate of Insurance.

Conflict of Interest Disclosure Form

All Respondents shall properly complete, have notarized, and include with their proposal the attached statement disclosing any potential conflict of interest that the

Respondent may have due to ownership, other clients, contracts, or interests associated with this project. (See Section 10.0)

This form has been executed and provided in Tab 7 of our response.

Completed Taxpayer Identification Number (TIN) form.

Include a completed TIN form. If the firm is not registered with Volusia County, on-line registration is available at www.volusia.org/purchasing under Vendor Self Service, which links to the registration site. The TIN form can be accessed through this site as well.

Please refer to the W-9 Form provided in Tab 7 as supporting documentation to this request.

Addenda

Any addenda issued subsequent to the release of this solicitation must be signed and returned with the firm's proposal. Failure to return signed addenda may be cause for the proposal to be considered non-responsive.

Understood.

The Addenda are included as part of our response under Tab 7.

Drug-Free Work Place Form (See Section 11.0)

Please refer to Tab 7 for the executed form.

Certification Regarding Debarment (Prime) Form (See Section 12.0)

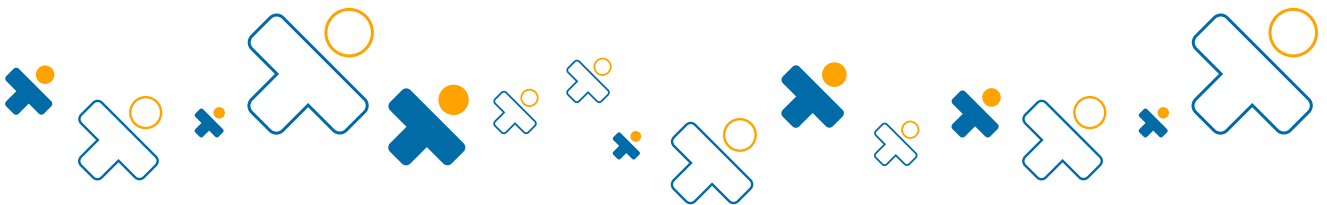
Please refer to Tab 7 for the executed form.

Certification Regarding Debarment (Sub) Form (See Section 13.0)

Please refer to Tab 7 for the executed form.

Volusia County

5.0 - Proposal Form



5.0 PROPOSAL FORM

March 23, _____, 2017

TO: County of Volusia, Florida
Office of Purchasing and Contracts Director
123 W. Indiana Avenue, Room 302
DeLand, FL 32720-4608

Advanced Data Processing, Inc. a subsidiary of Intermedix Corporation

The undersigned hereby declares that [firm name] _____ has carefully examined the specifications to furnish Public Emergency Medical Transportation (PEMT) Program for which proposals were advertised to be received no later than 3:00 p.m., EST, on Thursday, March 23, 2017, and further declare that the firm will furnish the services according to specifications contained herein.

Sole Proprietor [] YES [X] NO

Total number of employees 2,400+

Contractor agrees to provide the services detailed in Exhibit A, Scope of Services, on a contingency fee basis based on payments received by the County under the PEMT Program. Rate: If only traditional Medicaid claims are included - fee is 12%. Rate: _____%

If managed care is rolled into the program - fee is 6%.

Please respond to the following pertaining to the cost of services:

Prompt Payment Discount, if applicable: _____ % _____ Days; Net 45 Days

Do you accept electronic funds transfer (EFT)? [X] YES [] NO

Do you offer a discount for electronic funds transfer (EFT)? [] YES [] NO

Have you supplied all the Submittal Requirements outlined below?

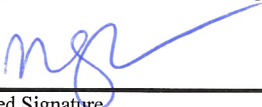
- [X] Tab 1 - Qualification data, Submittal Letter and/or Memorandum of Authority
[X] Tab 2 - Familiarity with PEMT Program
[X] Tab 3 - Methodology
[X] Tab 4 - Cost Proposal
[X] Tab 5 - References
[X] Tab 6 - Financial Statement, upon request Insurance
[X] Tab 7 - Forms
[] N/A If you have a physical location in Volusia County, submit one of these:
Current Business Tax Receipt OR Proof of Exemption Form
[X] Proof of Insurance
N/A Hold Harmless Agreement and/or Notice of Election to be Exempt, if required
[X] Conflict of Interest Form
N/A Tax Identification Number Form
[X] Any addenda pertaining to this RSQ
[X] Drug Free Workplace Form
[X] Certification Regarding Debarment (Prime) Form
[X] Certification Regarding Debarment (Sub) Form
[X] Did you include a CD or USB drive, as required in the Section entitled Submittal Form?

The County of Volusia reserves the right to reject any or all proposals, to waive informalities, and to accept all or any part of any proposal as they may deem to be in the best interest of the County.

I hereby certify that I have read and understand the requirements of this Request for Statements of Qualifications No. **17-SQ-68BB, Public Emergency Medical Transportation (PEMT) Program**, and that I, as the Respondent, will comply with all requirements, and that I am duly authorized to execute this proposal/offer document and any Contract(s) and/or other transactions required by award of this RSQ.

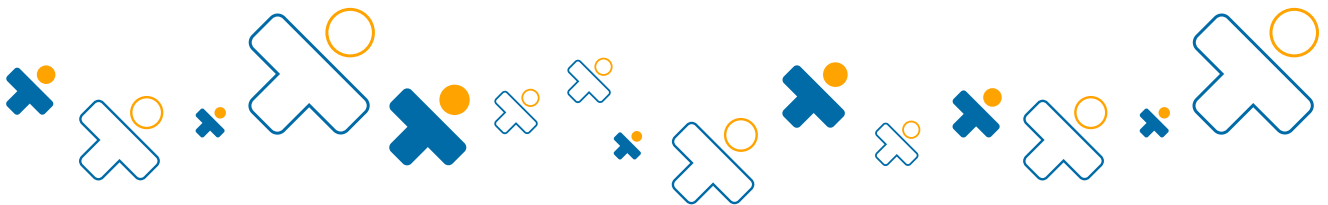
Further, as attested to by below signature, I will provide the required insurance, per Section 3.21, Insurance Requirements above, upon notification of recommendation of award.

The Respondent acknowledges that information provided in this proposal is true and correct:

x 		
Authorized Signature Melissa Leigh		
Printed Name SVP, General Counsel and Corporate Secretary		
		March 23, 2017
Title Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation		
		Date
Company Name 6451 N. Federal Highway, Ste. 1000, Fort Lauderdale, FL 33308		
Full Address		
954.308.8700 (O); 954.308.87825 (F)		melissa.leigh@intermedix.com
Telephone	Fax	E-mail Address
15-203-6497		22-3875190
Dunn & Bradstreet #	Federal I.D. #	

Volusia County

A - Business Tax Receipt



NOT APPLICABLE

8.0 PROOF OF EXEMPTION



BUSINESS SERVICES
REVENUE DIVISION

123 W. INDIANA AVE. • ROOM 103 • DELAND, FL 32720-4602
PHONE: 386-736-5938 • FAX: 386-822-572

www.volusia.org/revenue

I certify that the business known as (business name) _____,
providing _____ services, which is located at (street address) _____
_____, (city) _____, falls under the business tax exemption described in:

- Florida Statute 205. 063
Florida Statute 205. 064
Florida Statute 205. 065
Florida Statute 205. 162
Florida Statute 205. 171
Florida Statute 205. 191
Florida Statute 205. 192

www.volusia.org/revenue/local-business-tax/business-tax-frequently-asked-questions.stml

OR is the type of business indicated below:

- Child Care – Residential
Commercial Rentals
Door to Door/Peddler Sales
Insurance Adjuster, Agent, or Company
Pharmacist/Pharmacy (Prescription Drugs Only)
Radio/Television Station
Religious Institution
Residential Rentals over 6months
Sale of Alcoholic Products only

(Authorized Signature)

(Printed Name)

STATE OF _____

COUNTY OF _____

Sworn to and subscribed before me this ____ day of _____, 20____, by
_____, who is/are personally known to me or
who has/have produced _____ as identification.

NOTARY PUBLIC – STATE OF _____

Type or print name:

Commission No.: _____

Commission Expires: _____

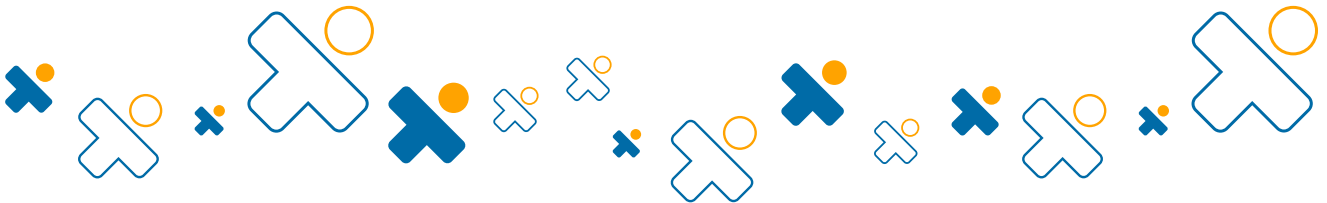
(Seal)

A business that falls under one of the exempt classifications listed above is not required to have a Volusia County Business Tax Receipt.

Revenue Director/Designee

Volusia County

B - Insurance





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/17/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Marsh USA Inc. 1560 Sawgrass Corporate Pkwy, Suite 300 Sunrise, FL 33323 Attn: FtLauderdale.CertRequest@marsh.com F:212-948-0512	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
E-MAIL ADDRESS:		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A : Continental Insurance Company		35289
INSURER B : American Casualty Company Of Reading, Pa		20427
INSURER C : N/A		N/A
INSURER D :		
INSURER E :		
INSURER F :		

COVERAGES **CERTIFICATE NUMBER:** ATL-003492461-19 **REVISION NUMBER:** 6

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

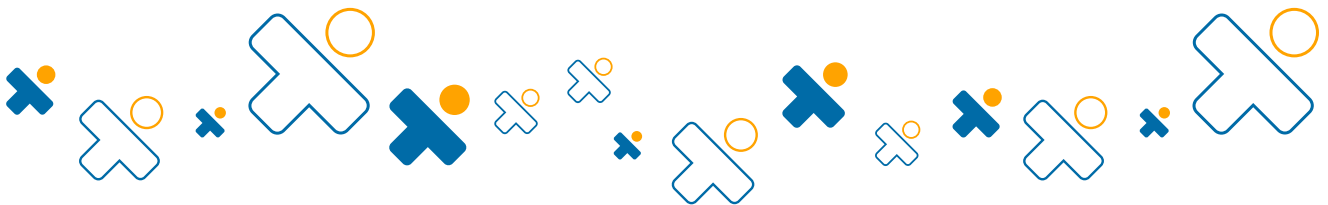
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC OTHER:			6018302277	06/30/2016	06/30/2017	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS			6018302263	06/30/2016	06/30/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			6018302232	06/30/2016	06/30/2017	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			6018302294 (AOS)	06/30/2016	06/30/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
B	Y/N <input checked="" type="checkbox"/> N / A			6018302280 (CA)	06/30/2016	06/30/2017	E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Wise County, its Officers, Officials, Employees and Volunteers are included as additional insured where required by written contract with respect to general liability and automobile liability. Waiver of subrogation is applicable where required by written contract with respect to general liability and automobile liability.

CERTIFICATE HOLDER	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE of Marsh USA Inc. Carmen Gordon <i>Carmen Gordon</i>

Volusia County

C - Conflict of Interest Disclosure Form

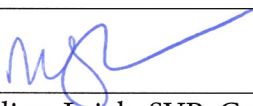


10.0 CONFLICT OF INTEREST FORM

I HEREBY CERTIFY that

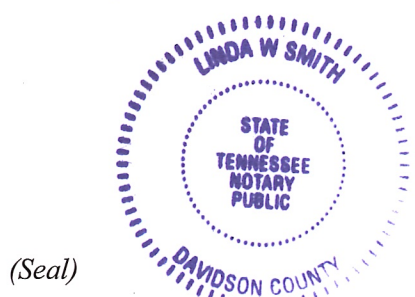
- 1. I, (*printed name*) Melissa Leigh, am the (*title*) Sr. VP, General Counsel and Corporate Secretary and the duly authorized representative of the firm of (*Firm Name*) Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation whose address is 6451 N. Federal Highway, Suite 1000, Fort Lauderdale, FL 33308, and that I possess the legal authority to make this affidavit on behalf of myself and the firm for which I am acting; and,
- 2. Except as listed below, no employee, officer, or agent of the firm have any conflicts of interest, real or apparent, due to ownership, other clients, contracts, or interests associated with this project; and,
- 3. This Proposal Submittal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a Proposal for the same services, and is in all respects fair and without collusion or fraud.

EXCEPTIONS to items above (List): We have no conflict of interest.

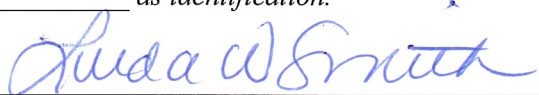
Signature: 
 Printed Name: Melissa Leigh, SVP, General Counsel and Corporate Secretary
 Firm Name: Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation
 Date: March 23, 2017

STATE OF TENNESSEE
 COUNTY OF DAVIDSON

Sworn to and subscribed before me this 23rd day of March, 2017, by Melissa Leigh, who is/are personally known to me or who has/have produced n/a as identification.

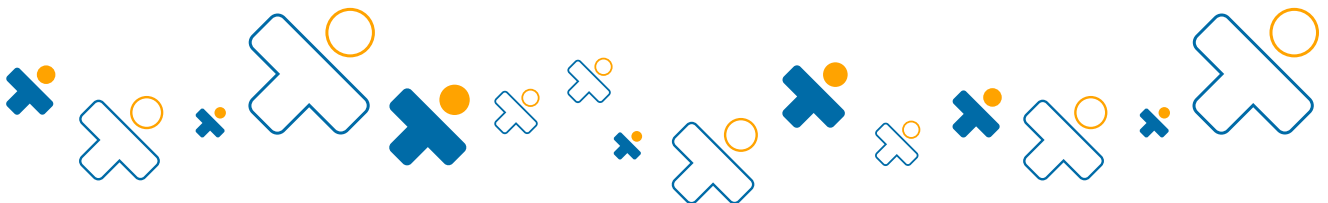


(Seal)


 NOTARY PUBLIC – STATE OF Tennessee
 Type or print name: Linda W. Smith
 Commission No.: none
 Commission Expires: 12.10.19

Volusia County

D - Completed Tax Payer Identification Number (TIN) Form



Form **W-9**
(Rev. December 2014)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Advanced Data Processing, Inc.	
	2 Business name/disregarded entity name, if different from above Intermedix	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input checked="" type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input type="checkbox"/> Other (see instructions) ▶ _____	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>	
	5 Address (number, street, and apt. or suite no.) 6451 N. Federal Highway, Suite 1000	Requester's name and address (optional)
	6 City, state, and ZIP code Fort Lauderdale, FL 33308	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number	
[] [] [] - [] [] - [] [] [] [] [] []	
or	
Employer identification number	
2 2 - 3 8 7 5 1 9 0	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶ 2-1-16
------------------	----------------------------	----------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

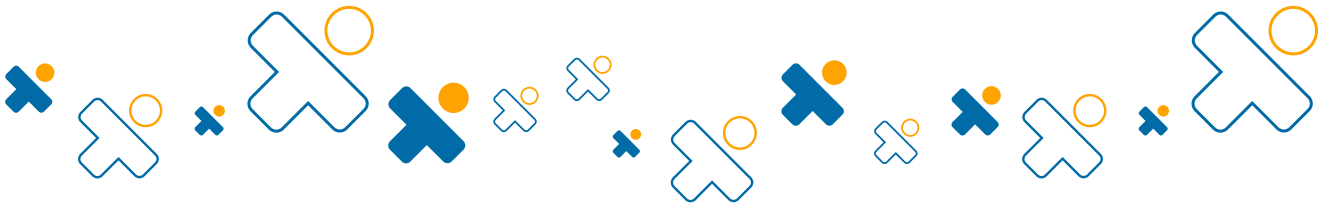
If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Volusia County

E- Addenda





BUDGET AND ADMINISTRATIVE SERVICES

Purchasing and Contracts Division

123 West Indiana Avenue • Room 302 • DeLand, FL 32720-4608

(386) 626-6623 • Fax (386) 736-5972

E-mail: purchasing@volusia.org ♦ www.volusia.org

February 28, 2017

Subject: ADDENDUM NO. 1, to RFP No. 17-SQ-68BB, Public Emergency Medical Transportation (PEMT) Program Services

This Addendum is being issued to make clarifications and/or changes to the RSQ. This document and all changes, as listed below, shall become an integral part of the solicitation and shall take precedence over what was previously stated in the original RSQ.

Question: Please provide Volusia County's financial performance for EMS billing revenue, including years 2015 and 2016. Also include total transports bulled and broken out by BLS, ALS and ALS2, total charges billed, and total revenue (cash) received.

Answer: See Attachment 1

Shaifa Resto, MBA, CPPB, FCCM
Procurement-Contracts Manager

Please sign and return with proposal

Vendor: Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation

Signed by (Name/Position):  Melissa Leigh, SVP, General Counsel and Corporate Secretary

Phone No.: 954.308.8700

Date: March 20, 2017

**FAILURE TO RETURN THIS ENTIRE ADDENDUM WITH THE PROPOSAL SUBMITTAL
MAY CAUSE THE PROPOSAL TO BE RENDERED NON-RESPONSIVE**

Attachment 1

COUNTY OF VOLUSIA EVAC TRANSPORTS

OCTOBER 2014 THROUGH SEPTEMBER 2015			OCTOBER 2015 THROUGH SEPTEMBER 2016		
Charge Type	ALL TRANSPORTS		Charge Type	ALL TRANSPORTS	
	Count	Dollar Amount		Count	Dollar Amount
ALS Charges:			ALS Charges:		
Air Ambulance Trans	48.0	18,968.00	Air Ambulance Trans	34.0	13,408.00
ALS 2 Scene Treat	20.0	18,118.00	ALS 2 Scene Treat	16.0	14,460.00
ALS Emergency	29933.0	18,715,011.43	ALS Emergency	34637.0	21,637,630.00
ALS Emergency Scene Treat	230.0	143,802.00	ALS Emergency Scene Treat	346.0	216,188.00
ALS Level 2	1388.0	1,254,750.00	ALS Level 2	1655.0	1,496,373.00
ALS NE Scene Treat	31.0	12,762.00	ALS NE Scene Treat	24.0	9,977.00
ALS Non-Emergency	7495.0	2,958,067.48	ALS Non-Emergency	6756.0	2,665,314.00
Specialty Care Transport	121.0	129,400.00	Specialty Care Transport	160.0	172,272.00
Totals for Type: ALS charges	39266.0	23,250,878.91	Totals for Type: ALS charges	43628.0	26,225,622.00
BLS Charges:			BLS Charges:		
BLS Emergency	9919.0	5,219,640.00	BLS Emergency	8635.0	4,546,872.00
BLS Emergency Scene Treat	-1.0	(522.00)	BLS Emergency Scene Treat	1.0	526.00
BLS NE Scene Treat	4.0	1,320.00	BLS NE Scene Treat	6.0	1,974.00
BLS Non-Emerg Base Rate	5454.0	1,794,156.00	BLS Non-Emerg Base Rate	4156.0	1,368,390.00
Totals for Type: BLS charges	15376.0	7,014,594.00	Totals for Type: BLS charges	12798.0	5,917,762.00
TOTAL TRANSPORT BILLING	54642.0	30,265,472.91	TOTAL TRANSPORT BILLING	56426.0	32,143,384.00
TOTAL REVENUE BILLED			TOTAL REVENUE BILLED		
		35,426,549.89			37,482,047.16
TOTAL CASH RECEIVED			TOTAL CASH RECEIVED		
		17,834,143.73			18,388,194.34



***BUDGET AND ADMINISTRATIVE SERVICES
Purchasing and Contracts Division***

123 West Indiana Avenue • Room 302 • DeLand, FL 32720-4608

(386) 626-6623 • Fax (386) 736-5972

E-mail: purchasing@volusia.org ♦ www.volusia.org

March 10, 2017

Subject: ADDENDUM NO. 2, to RFP No. 17-SQ-68BB, Public Emergency Medical Transportation (PEMT) Program Services

This Addendum is being issued to make clarifications and/or changes to the RSQ. This document and all changes, as listed below, shall become an integral part of the solicitation and shall take precedence over what was previously stated in the original RSQ.

Question: Section 5.0 of the RSQ requires the completion of a Proposal Form. Does the County have a preference on where the Respondent should submit this form in the response?

Answer: As indicated on page 24, the Proposal Form should be submitted in Tab 4.

Question: Exhibit A of the RSQ provides a scope of services for the Public Emergency Medical Transportation (PEMT) Program. Does the County have a preference on where the Respondent should demonstrate that they will meet these requirements in the response?

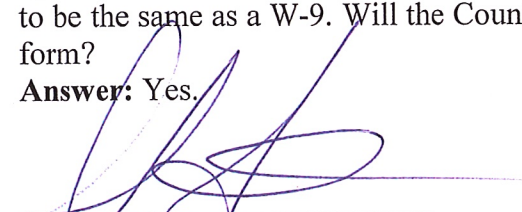
Answer: Portions of the scope of services are requested in Tabs 2 and 3. Any Respondent that cannot meet any of the requirements of Exhibit A shall take exception to said requirement(s). Proposals submitted without exception are expected to meet the scope of services in Exhibit A.

Question: Exhibit D of the RSQ provides the schedules for the Emergency Medical Transportation Integrated Disclosure and Medicaid Cost Report. Does the County desire or require an online system to complete and validate the Emergency Medical Transportation Integrated Disclosure and Medicaid Cost Report?

Answer: There is no online system to complete the report. The report is in Excel spreadsheet format and will be completed and submitted in that format.

Question: Tab 7 requests a completed Taxpayer Identification Number (TIN) form. This appears to be the same as a W-9. Will the County accept an executed W-9 form in place of the suggested form?

Answer: Yes.


Shaira Resto, MBA, CPPB, FCCM
Procurement-Contracts Manager

Please sign and return with proposal

Vendor: Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation

Signed by *(Name/Position)*:  Melissa Leigh, SVP, General Counsel and Corporate Secretary

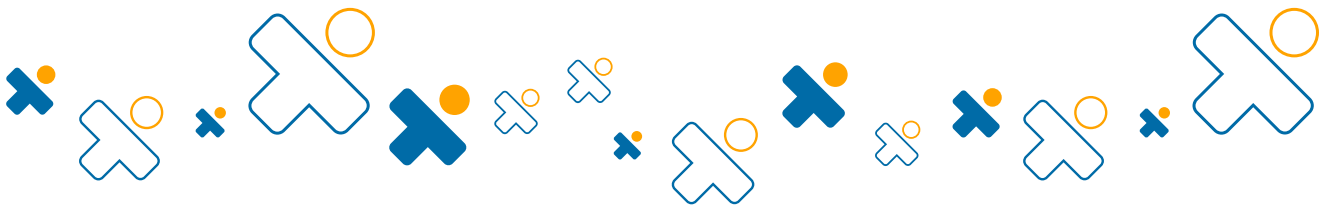
Phone No.: 954.308.8700

Date: March 20, 2017

**FAILURE TO RETURN THIS ENTIRE ADDENDUM WITH THE PROPOSAL SUBMITTAL
MAY CAUSE THE PROPOSAL TO BE RENDERED NON-RESPONSIVE**

Volusia County

F - Drug Free Work Place Form



11.0 DRUG-FREE WORK PLACE

The undersigned firm in accordance with Florida statute 287.087 hereby certifies that

Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation
does:

(Name of Firm)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are proposed a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under proposal, the employee will propose by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

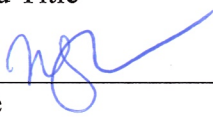
As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Melissa Leigh, SVP, General Counsel & Corporate Secretary
Name and Title

March 23, 2017

Date

Signature



Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation

Firm

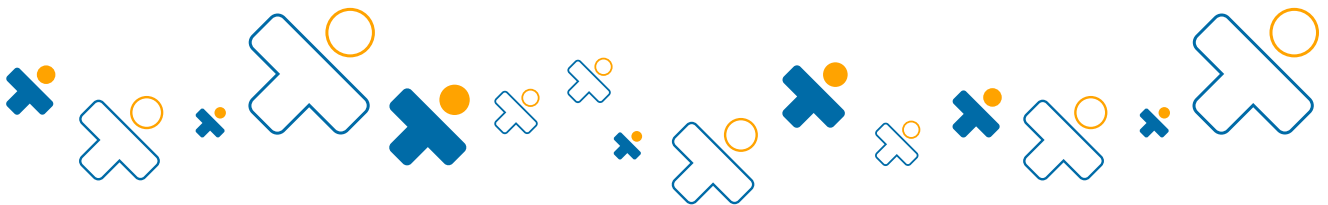
6451 N. Federal Highway, Ste., 1000, Fort Lauderdale, FL 33308

Street address

City, State, Zip

Volusia County

G - Certification Regarding Debarment (Prime)



12.0 CERTIFICATION REGARDING DEBARMENT (PRIME)

**Certification Regarding
Debarment, Suspension,
And Other Responsibility Matters
Primary Covered Transactions**

TO BE COMPLETED BY PRIME CONTRACTOR

1. The prospective primary participant (contractor) certifies to the best of its knowledge and belief, that it and its principals (subcontractors and suppliers):
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. Have not within a three (3) year period preceding this bid proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
 - d. Have not within a three-year period preceding this bid proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this bid proposal

Melissa Leigh, SVP, General Counsel and
Corporate Secretary

March 23, 2017

Name and Title

Date



Signature

Advanced Data Processing, Inc., a subsidiary of Intermedix Corporation

Firm

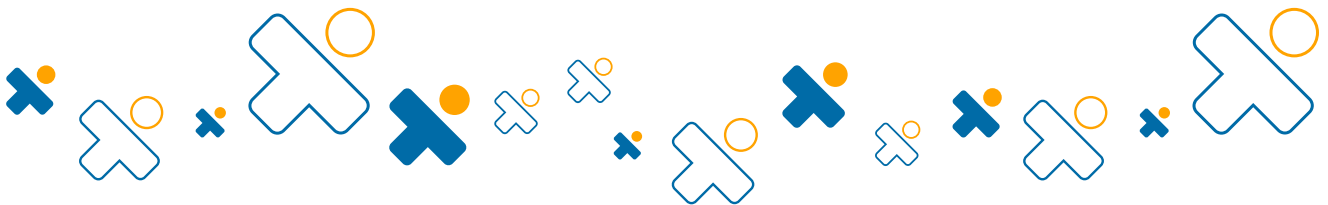
6451 N. Federal Highway, Ste., 1000, Fort Lauderdale, FL 33308

Street address

City, State, Zip

Volusia County

H - Certification Regarding Debarment (Sub)



13.0 CERTIFICATION REGARDING DEBARMENT (SUB)

**Certification Regarding
Debarment, Suspension, Ineligibility
And Voluntary Exclusion**

TO BE COMPLETED BY ALL SUB-CONTRACTORS

1. The prospective participant (sub-contractor) certifies to the best of its knowledge and belief, that it and its principals (subcontractors and suppliers):
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - b. Have not within a three (3) year period preceding this bid proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
 - d. Have not within a three-year period preceding this bid proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.
2. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this bid proposal.

John Shaughnessy Practice Area Director

Name and Title

3/8/17

Date

Signature

Public Consulting Group, Inc.

Firm

148 State Street, 10th Floor

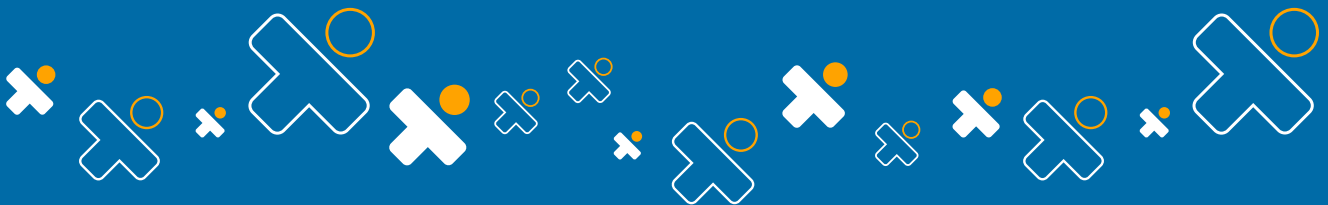
Boston, MA 02109

Street address

City, State, Zip

Volusia County

Supporting Documentation



Supporting Documentation Provided:

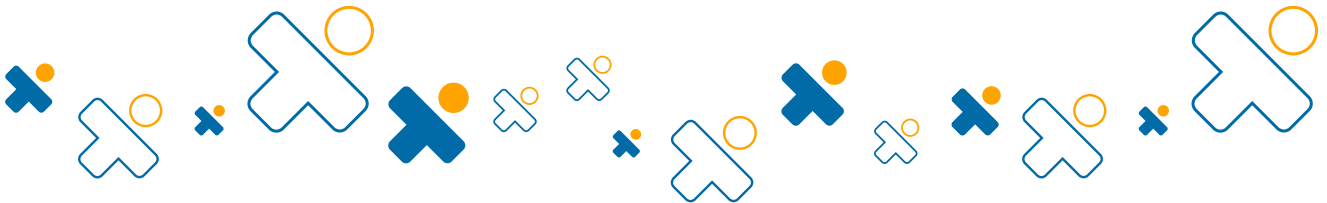
Attachment 1 – Resumes (in support of Tab 1, Question 9)

Attachment 2 – Intermedix Annual Report (in support of Tab 6 – Financial Stability)

Attachment 3 – Legal Redlines

Volusia County

Attachment 1 - Resumes



Jack Donahue

Executive Vice President, EMS Revenue Cycle Management

Jack.Donahue@intermedix.com

EDUCATION

- 2002 - 2004 E.H.M.A., University of Florida
- 1993 - 1995 M.B.A., University of Florida
- 1988 - 1992 B.A. in Business Administration, University of Notre Dame

EXPERIENCE

- 2004 - Present **Intermedix**, Fort Lauderdale, FL
Executive Vice President, EMS Revenue Cycle Management
Responsible for managing all aspects related to EMS revenue cycle management operations for Intermedix.
- 2002 - 2004 **BearingPoint, Inc.**, Miami, FL
Senior Manager
Provided technology solutions to fortune 500 companies in a variety of industries that enabled the optimization of business processes and revenue.
- 1995 - 2002 **Arthur Andersen, LLP**, Miami, FL
Senior Manager
Provided technology solutions to mid-market clients in a variety of industries that enabled the optimization of business processes and revenue.

Glenn Goodpaster

Vice President, Business Development

Glenn.Goodpaste@intermedix.com

EDUCATION

1973 - 1978 B.A. in Accounting, University of Cincinnati

PROFESSIONAL EXPERIENCE

- 2015 - Present **Intermedix**
Vice President, Business Development
Connect medical transport providers with technology and services that increase their operational effectiveness, reduce costs and increase revenues. Responsible for onboarding new clients.
- 2008 - 2015 **Goodpaster Consulting**
Owner
Provide revenue management services to surgery centers and medical providers.
- 2006 - 2014 **MED3000, a McKesson owned company, Dayton, OH**
Senior Vice President
Complete P&L plus development responsibility for EMS (Emergency Medical Services) revenue cycle management division of a privately held medical technology and management services provider with operations in Ohio, Pennsylvania and Florida. Expanding national client base composed primarily of 911 emergency medical services transport providers.
- 2002 - 2006 **HealthServe, LLC**
Vice President and CFO
Directed a revenue cycle management operation for multi-specialty physician groups
- 1997 - 2000 **Physician Management Services**
President
Led a business unit that provided Revenue Cycle Management Services, accounting services and tax compliance services to physician groups.

JAMES DACHOS
ASSOCIATE MANAGER AT PUBLIC CONSULTING GROUP, INC.

James Dachos, an Associate Manager at PCG, currently serves as the program manager for EMS Cost Recovery and Revenue Maximization initiatives for four states including Texas, Florida, Oklahoma, and Kansas. As the program manager, Mr. Dachos is directly responsible for the development, design, implementation, cost reporting, and ongoing administration of EMS reimbursement programs. He currently oversees ambulance supplemental payment services for over 25 clients across the state of Texas and for more than 30 ambulance providers in Florida. Mr. Dachos also worked with EMS Associations in Oklahoma and Kansas to conduct feasibility studies in order to understand the potential benefits of supplemental reimbursement program. Mr. Dachos is managing the development of these program based on findings.

Mr. Dachos currently serves as the Program Manager for six School Health Services programs across the country. Through these engagement, Mr. Dachos oversees the programmatic areas of revenue maximization, compliance, cost reporting, cost settlement, and all other contractual requirements. Additionally, Mr. Dachos has vast experience in Medicaid cost reporting and cost settlement, Medicaid Reimbursement claiming within the Fee for Service claiming methodology, and Medicaid Administrative Activities Claiming for Special Education Departments. During the course of his ten years with PCG, Mr. Dachos has assisted a number of states in the design and implementation of cost based reimbursement methodologies for the school based health services program. In these engagements he has developed the State Plan Amendment (SPA) document outlining the cost settlement methodology and all accompanying documents including the cost report and cost reporting guide.

Mr. Dachos has worked closely with CMS on behalf of states responding to requests for information pertaining to the SPA and other related documents. Additionally, he has overseen Medicaid billing operations for our Massachusetts Medicaid clients, and led revenue maximization efforts with the City of Boston/Boston Public Schools. He led Medicaid billing efforts for Medicaid eligible Special Education students in the city of Washington, DC, and assisted the district in revenue maximization in their Fee for Service and transportation programs. Mr. Dachos is responsible for the annual cost reporting process for over 1,000 school districts across the states of Wisconsin, Kansas, Arizona, Colorado, Georgia, and North Carolina, including the collection and desk review of all submitted cost reports and the analysis of district actual costs. He also has led training efforts for school district staff on cost reporting procedures and PCG's web-based cost reporting and Medicaid reconciliation system.

RELEVANT PROJECT EXPERIENCE

Miami-Dade Fire Rescue, Orange County Fire Rescue Department, Hillsborough County Fire Rescue, Tampa Fire Rescue, Palm Beach County Fire Rescue (among approximately 35 active clients), State of Florida

Public Emergency Medical Transport Program (May, 2016 - Present): Program Manager

Mr. Dachos: Contracted with 35 departments across the state of Florida to administer consulting services around program design, implementation, cost reporting, and compliance for the Pround Emergency Medical Transportation (PEMT) program. Mr. Dachos leads a team of 20 staff to facilitate the compilation of the annual cost report and provide audit support. Mr. Dachos and his team developed a web-based cost reporting solution to facilitate cost reporting analysis and help ensure compliance.

Houston Fire Department, Dallas Fire-Rescue Department, MedStar (Tarrant County), Montgomery County Hospital District, Galveston County Health District, and Garland Fire Department (among approximately 25 active clients), State of Texas

Ambulance Supplemental Payment Program (August, 2012 - Present): Program Manager

Mr. Dachos: Contracted by multiple providers throughout the state of Texas to provide consulting services to design, gain approval for, and implement the Ambulance Supplemental Payment Program (ASPP). Manage the preparation of annual cost reports and provide comprehensive support throughout the State's desk reviews. PCG prepared and submitted the Federal Fiscal Year

2011 through 2016 cost reports for PCG's providers, which has generated significant revenue for the programs.

Oklahoman Ambulance Association (OKAMA), State of Oklahoma

EMS Cost Recovery Program (March, 2014 - Present): Program Manager

Mr. Dachos: Contracted with OKAMA to establish the most appropriate and effective EMS Cost Recovery Program for the Oklahoma EMS provider community. Responsible for designing, gaining state and federal approval, designing, and administering the program for all eligible participating EMS departments across the state of OK.

Kansas Emergency Medical Services Association (KEMSA), State of Kansas

EMS Cost Recovery Program (January, 2016 - Present): Program Manager

Mr. Dachos: Contracted with KEMSA to establish the most appropriate and effective EMS Cost Recovery Program for the Kansas EMS provider community. Responsible for designing, gaining state and federal approval, designing, and administering the program for all eligible participating EMS departments across the state of KS.

Colorado Department of Health Care Policy and Financing, State of Colorado

School Health Services: School Based Cost Reporting and Cost Settlement (October, 2010 – Present): Project Manager

Mr. Dachos: Serves as program manager responsible for client management, execution of contract deliverables, subject matter expertise, and the supervision of the processing of school based cost reports under Medicaid State Plan. Enforces program compliance and revenue maximization. Executes annual audits of school districts to ensure program compliance. Oversees training efforts for school districts on cost reporting and cost settlement procedures.

Arizona Health Care Cost Containment System, State of Arizona

School Based Health Services: Claiming Program Design and Implementation (October, 2010 – Present): Project Manager

Mr. Dachos: Assisted the state in designing and implementing a cost based reimbursement methodology for the school based health services program. Developed the SPA document outlining the new methodology and all accompanying documents including the cost report and cost reporting guide. Prepared responses to CMS' Requests for Additional Information pertaining to the SPA and other related documents. Conducted financial trainings to assist the LEAs in completing the annual cost report. Serves as project manager.

Department of Community Health, State of Georgia

Children's Intervention School Services (October, 2010 – Present): Project Manager

Mr. Dachos: Oversees team dedicated to Medicaid state-wide cost reporting and cost settlement operations. Serves as project manager responsible for client management, execution of contract deliverables, subject matter expertise, and the supervision of the processing of school based cost reports under Medicaid State Plans. Assisted the state in developing and executing audit plan for quarterly Local Education Agency monitoring. Enforces program compliance and revenue maximization. Oversees training efforts for 145 school districts on cost reporting procedures for web-based Medicaid cost reporting and claiming system.

Kansas Department of Health and Environment, State of Kansas

School Based Services Cost Reporting / Reconciliation Initiative (October, 2010 – Present): Project Manager

Mr. Dachos: Oversees team dedicated to Medicaid state-wide cost reporting and cost settlement operations. Serves as project manager responsible for client management, execution of contract deliverables, subject matter expertise, and the supervision of the processing of school based cost reports under Medicaid State Plans. Enforces program compliance and revenue maximization. Developed and executed audit plan for annual school district monitoring. Oversees training efforts

for school district staff on cost reporting procedures for web-based Medicaid cost reporting and claiming system.

Department of Health Services, State of Wisconsin

School Based Services Cost Reporting / Reconciliation Initiative (October, 2010 – Present): Project Manager

Mr. Dachos: Prepared responses to CMS' requests pertaining to School Based Services program methodology approval. Oversees team dedicated to Medicaid state-wide cost reporting and cost settlement operations. Serves as project manager responsible for client management, execution of contract deliverables, subject matter expertise, and the supervision of the processing of school based cost reports under Medicaid State Plan. Enforces program compliance and revenue maximization. Developed and executed audit plan for annual school district monitoring. Oversees training efforts for over 400 school districts on cost reporting procedures for web-based Medicaid cost reporting and claiming system.

Department of Social Services, State of Missouri

School Based Services Cost Reporting Initiative (December, 2015 – Present): Project Manager

Mr. Dachos: Project lead responsible for identifying how the State of Missouri can maximize school based Medicaid funding streams, while maintaining the utmost level of compliance. Team is contracted to review Missouri's current school district transportation reimbursement methodology and providing recommendations on how Missouri could maximize federal reimbursement. Additionally, is reviewing school based clinic models around the country as an approach to maximize federal funding streams.

Department of Health and Human Services, State of North Carolina

School Based Services Cost Reporting Initiative (November, 2013 – Present): Project Manager

Mr. Dachos: Serves as project manager of team responsible for compiling annual school based cost reports for over 40 school districts. Team is responsible for collecting financial data, reviewing data for accuracy and adherence to state requirements, and the assembly of cost reports on annual basis.

Health Care Authority, State of Washington

Financial Audit of Local Health Jurisdiction Medicaid Administrative Claiming (September, 2013 – March, 2014): Project Manager

Mr. Dachos: Conducted a multi-faceted analysis of the Medicaid Administrative Claiming (MAC) program for the State's Local Health Jurisdictions (LHJs). The audit focused on five key review areas: MAC invoice, Certified Public Expenditures, funding offset, indirect cost rate, and Federally Qualified Health Center encounter rate. Analysis and recommendations were derived from a comprehensive data analysis, on-site interviews with LHJ staff, and an examination of pertinent federal and state regulations. Findings and recommendations pertaining to each of the key review areas were presented in the final report.

Massachusetts, Vermont, Rhode Island Municipal Medicaid Revenue Maximization Project – Oversight (December, 2006 – October, 2010): Client Lead

Mr. Dachos: Assured policies, procedures, and operations were well established and followed in accordance with all state regulations. Maintained timely completion of all client deliverables and claim processing for New England Medicaid clients. Led wide-array of revenue maximization initiatives. Facilitated training sessions for PCG's service documentation system. Handled contracts and invoicing for all New England Medicaid clients.

Massachusetts Municipal Medicaid Revenue Maximization Project – Billing (December, 2006 – October, 2010): Client Lead

Mr. Dachos: Generated Medicaid billings for Medicaid eligible Special Education students in the City of Boston. Used PCG's web-based system and schools data files to capture and bill fee for service data for Medicaid eligible students enrolled in SPED. Implemented remittance advice tracking programs for Medicaid and presented timely status reports to client.

Massachusetts Administrative Activity Claiming, Boston (December, 2006 – October, 2010): Client Lead

Mr. Dachos: Responsible for preparing Administrative Activity Claims (AAC) on behalf of Boston Massachusetts. Collected and analyzed financial data, applying AAC time study results, and inputting data into claiming tool used to calculate federal Medicaid reimbursement for health related services performed in school districts.

Medicaid Billing and Recovery Services, District of Columbia (December, 2006 – October, 2010): Client Lead

Mr. Dachos: Generated Medicaid billings for Medicaid eligible Special Education students in the city of Washington, DC. Used PCG resources and schools data files to track attendance information, provided related services, and transportation services for students enrolled in Special Education. Developed monthly transportation reporting tracking system. Tracked remittances from Medicaid and presented timely status reports to client. Worked on revenue maximization efforts by recouping submissions through federal and state allowable claiming requirements.

PROFESSIONAL BACKGROUND

Public Consulting Group, Boston, MA

December, 2006 - Present

Watson Wyatt Worldwide, Newton, MA

September, 2004 – May, 2006

EDUCATION

Clark University, Worcester, MA

Masters of Business Administration, 2011

Bates College, Lewiston, MA

Bachelor's Degree, Sociology, 2004

CERTIFICATIONS / PUBLICATIONS / SPECIAL SKILLS

Trained in TX Ambulance Supplemental Payment Program Administration

REFERENCES

Mr. Steve Milioto

Wisconsin Department of Health Services

Division of Health Care Access and Accountability

1 West Wilson Street

Madison, WI 53703

(608) 266-9815

Steve.Milioto@dhs.wisconsin.gov

Ms. Rowena Regier

Kansas Department of Health and Environment

Division of Health Care Finance

900 SW Jackson #900 N

Topeka, KS 66612
785-291-3625
rregier@kdheks.gov

Ms. Shannon Huska
Department of Health Care Policy and Financing
School Health Services Program Administrator
1570 Grant Street
Denver, CO 80203
(303) 866-3131
shannon.huska@state.co.us

THOMAS ENTRIKIN
MANAGER AT PUBLIC CONSULTING GROUP, INC.

Mr. Thomas Entrikin has over 40 years of experience with the Medicaid and Medicare programs. From 1972 to 1979 he was a Medicare program specialist with the Social Security Administration, Bureau of Health Insurance. From 1981 to 1992, he was a Medicaid law, regulations, and policy specialist with the Health Care Financing Administration (HCFA), now CMS, providing technical assistance to the States of Vermont, Connecticut, and Massachusetts on Medicaid eligibility, coverage, and reimbursement; provider certification and enrollment; program integrity; recovery of third party liabilities; Medicaid Management Information System (MMIS) performance specifications and operations; interagency agreements; contracts with managed care organizations; and Medicaid waiver programs. While at HCFA, he assisted the State of Vermont in developing its first home and community-based services waiver for individuals with developmental disabilities, and he received a HCFA Administrator's Citation for his work achieving savings in Medicaid prescription drug reimbursement systems.

Since coming to PCG in 1992, he has assisted in the design, development, and implementation of revenue projects for school based health services; hospital-based and municipal projects for pregnant women, infants, and children; state services offered through youth services, child welfare, mental health, substance abuse, and public health agencies; and reimbursement systems for hospitals, long term care facilities, and community-based waiver programs. He has made presentations at national conferences on Medicaid waiver programs and participated in the development of a manual on consumer self-determination under waiver programs for the Robert Wood Johnson Foundation.

RELEVANT PROJECT EXPERIENCE

Massachusetts Department of Public Health, Department of Mental Health, Commonwealth of Massachusetts

Revenue Maximization (July 1998 – February 2010): Advisor

Project: Established FFP claiming process for early intervention services provided to EPSDT children by developmental educators.

Mr. Entrikin: Designed and implemented FFP claiming process. Recommended improvements in intergovernmental transfers of funds (IGT) procedures. Provided recommendations for improvements in annual caseload and expenditure projections for state budget purposes. Evaluated commercial insurance and HMO coverage and billing requirements for services provided by developmental educators and recommended improvements in third party collections. Performed legal, regulatory, and policy research in support of Medicaid FFP and TANF claiming activities.

Massachusetts Department of Mental Health, Commonwealth of Massachusetts

Community-Based Services Rate Setting (July 1998 – June 2002): Advisor

Project: Developed enhanced encounter rate for hospital and community-based crisis intervention and crisis stabilization services offered through managed care and fee-for service arrangements. Developed Medicaid State plan amendment and calculated Medicaid payment rates for the services.

Mr. Entrikin: Designed and implemented encounter rate for crisis intervention and crisis stabilization services. Performed analysis of the federal Olmstead decision and other case law on home and community-based services. Drafted planning APD for a DMH management information system integrated with the Medicaid agency's MMIS.

Chicago Public Schools, State of Illinois

School Based Services (July 1998 – June 2013): Technical Advisor

Project: Provided legal and regulatory support for Medicaid administrative and Medicaid services claiming, time studies, state plan amendments, and cost allocation procedures.

Mr. Entrikin: Provided recommendations on legal and regulatory compliance under federal and state plan requirements. Performed data analysis and legal, regulatory, and policy research in support of increased federal reimbursement of early intervention services.

North Carolina Department of Health and Human Services, State of North Carolina

Advisory Services (July 1994 – June 2006): Advisor

Project: Developed state Medicaid plan amendment for upper payment limit (UPL) adjustments for public health and behavioral health clinics. Identified FFP revenue maximization opportunities in disproportionate share hospital (DSH) payment adjustments for mental health facilities and in State services for children, the elderly, and disabled groups. Developed Medicaid State plan amendment for State psychiatric hospital DSH reimbursement. Identified additional DSH eligible facilities and allowable costs. Recommended improvements in cost allocation methods. Recommended new procedures on certifications of public expenditures. Evaluated compliance with certification requirements for inpatient psychiatric residential treatment facilities. Performed legal and regulatory research.

Mr. Entrikin: Advised on all project processes.

New Hampshire Department of Health and Human Services, State of New Hampshire

Revenue Maximization (July 1994 – June 2003): Advisor

Project: Provided recommendations on upper payment limit (UPL) adjustments for county operated nursing facilities, intergovernmental transfers of funds (IGTs), development of waiver programs, payment reform, and disproportionate share hospital (DSH) payment adjustments.

Mr. Entrikin: Developed Section 1115 research and demonstration waiver proposal to expand Medicaid eligibility for low income children and to provide capitated mental health care. Analyzed community mental health center utilization and expenditure data. Developed recommendations to re-design state contracting and oversight of community mental health centers. Participated in public meetings on the re-design process with provider and consumer representatives. Provided recommendations on incorporating evidence-based practices in Medicaid coverage and reimbursement instructions. Evaluated provider-related tax requirements applicable to community based providers. Identified opportunities to obtain revenue for mental health services provided in residential programs for delinquent youth. Evaluated compliance with certification requirements for inpatient psychiatric residential facilities. Performed legal, regulatory, and policy research.

Delaware Department of Alcohol, Drug Abuse, and Mental Health, State of Delaware

Strategy Implementation (July 1999 – June 2001): Advisor

Project: Assisted the agency in developing a strategy to revise its Medicaid administrative claiming process and to develop a managed care plan and a section 1915(b) waiver application for individuals with persistent mental illness.

Mr. Entrikin: Developed section 1915(b) waiver application. Performed legal research on disproportionate share hospital (DSH) payment adjustments.

West Virginia Bureau of Medical Assistance, State of West Virginia

Medicaid Revenue Projects (July 1996 – June 2007): Advisor

Project: Assisted in the development of projects to increase FFP revenues and to improve coordination of benefits practices.

Mr. Entrikin: Assisted in developing Medicaid third party liability action plan and Medicaid revenue projects. Developed legal and financial justification for retroactive corrections to rate calculations. Legal research on disproportionate share hospital (DSH) payment adjustments.

Kentucky Department of Medicaid Services, State of Kentucky

Medicare Part B Premiums (July 2005 – June 2006): Advisor

Project: Assisted in ensuring compliance with federal Medicaid requirements.

Mr. Entrikin: Analyzed buy-in agreements, state plan, systems specification and operations, and Medicaid payment procedures for Medicare Part B premiums. Legal research on provider-related taxes.

Washington Department of Social and Health Services, State of Washington

Management Information System Implementation APD (July 1997 – June 2001): Advisor

Project: Assisted in ensuring compliance with federal Medicaid requirements on MMIS APDs and FFP claiming practices.

Mr. Entrikin: Performed legal, regulatory, and Medicaid policy research on MMIS APD issues. Assisted in the development of a compliance evaluation tool for inpatient psychiatric residential treatment facilities and other institutions for mental diseases. Performed legal, regulatory, and policy research on Medicaid eligibility, coverage, and reimbursement issues.

Tennessee Bureau of TennCare, State of Tennessee

Medicaid Administrative Claiming (July 1999 – June 2002): Advisor

Project: Assisted in developing Medicaid administrative claiming practices and documentation.

Mr. Entrikin: Provided analysis and recommendations to update interdepartmental service agreements between the Bureau of TennCare and eight sister state agencies and state universities.

PROFESSIONAL BACKGROUND

Public Consulting Group, Inc., Boston, MA

Aug 1992 – Present

EDUCATION

Harvard University, Cambridge, MA

Master of Public Administration, June 1980

University of Massachusetts, Amherst, Massachusetts

Bachelor of Arts, May 1971

CERTIFICATIONS/ PUBLICATIONS/ SPECIAL SKILLS

- Managed Care in Medicaid Program, Tom Entrikin, June 1999
- Beyond Managed Care: An Owner's Manual for Self-Determination. T. Nerney, D. Shumway, M. Fenton, T. Entrikin, S. Morrill, G. Marburg, published by Robert Wood Johnson Foundation, 1997.

GARRETT ABRAHAMSON

SENIOR CONSULTANT AT PUBLIC CONSULTING GROUP INC.

Mr. Garrett Abrahamson has a background in Medicare and Medicaid cost reports, provider fee modeling, healthcare auditing, pay-for-performance evaluation, health insurance dependent eligibility verification, and discrete cost analysis. He has helped to lead provider compliance reviews of the Massachusetts Health Safety Net, and Uncompensated Care Cost & Charge Report (UCCR) Reviews in Massachusetts. Additionally, Mr. Abrahamson has participated in billing assessments at several private behavioral health providers. More recently, Mr. Abrahamson has lead client engagements with dual-eligible health plans, providing Third Party Administration (claims adjudication) services.

RELEVANT PROJECT EXPERIENCE

Commonwealth Care Alliance (CCA), Commonwealth of Massachusetts

Third Party Administrator for One Care and Senior Care (April 2014 – Current): Client Lead

Project: PCG provides CCA with claims administration including data entry, claims processing, and payment services for medical, behavioral health, and non-clinical support claims. PCG manages member eligibility and enrollment as well as vendor and provider network data. The claims adjudication system maintained by PCG facilitates proper processing of payments by implementing benefit rules that pend claims that require prior authorizations. The system also adheres to validation routines that process claims according to plan limitations. To provide customer service and assist with claims processing, PCG staffs a call center which handles over 3,000 calls per month. PCG has worked with CCA since its inception in 2004, and in that time CCA has grown to more than 17,000 members with over \$400MM in disbursements in 2015.

Independence Care System (ICS), State of New York

Third Party Administrator for Fully-Integrated Dual Advantage (FIDA) Program (July 2015 – Current): Client Lead

Project: PCG provides administrative and management services for the ICS Community Care Plus FIDA-MMP product line, including claims adjudication and payment services. By maintaining an automated claims processing system, PCG ensures proper claims payment through edits for eligibility, correct coding, service agreements, and any applicable payment rules. PCG also manages vendor and provider network data and member eligibility information. To assist ICS members and providers, PCG staffs a call center with claims representatives ready to answer questions and assist with claims processing.

Division of Health Care Finance and Policy, Commonwealth of Massachusetts

Health Safety Net – Compliance Review (2010-2012): Lead Investigator

Project: Conducted field audits of 25 providers to ensure compliance with Health Safety Net eligibility and claiming regulations. Areas of review included allowable bad debt, Health Safety Net as secondary payer, reporting of bad debt recoveries, reporting of free care income, and service code eligibility.

Hospital Financial Reporting (2012): Consultant

Project: Develop a methodology for the uniform calculation of hospital margins on a payer specific basis and identifying opportunities for streamlined and simplified hospital financial reporting. Analyzed cost report data to develop calculation models and facilitated discussion with hospitals regarding calculation options.

Executive Office of Health and Human Services, Commonwealth of Massachusetts

Uncompensated Care Cost & Charge Report (UCCR) Reviews (2009-2010): Investigator

Project: Conducted hospital cost report reviews and reconciliations on UCCR reports for three fiscal years for eight facilities. Provided findings to EOHHS staff in order to inform decisions regarding uncompensated care payments. Assisted EOHHS with developing supplemental schedule for UCCR to improve data collection.

State of West Virginia

Dependent Eligibility Verification (2010): Analyst

Project: Determined the eligibility of employee dependents for insurance programs by reviewing submitted verification materials such as birth certificates, marriage certificates, and tax returns.

CAB Health and Recovery Services, Inc. and Health Education Services, Inc.

MassHealth FFS Contracting and Accounts Receivable Process Analysis (2011): Consultant

Project: Assessed Medicaid contracting processes to proactively identify any issues that could have financial impact. Assessed billing practices to proactively identify problems that could result in payment issues, including the interface with and the practices of 3rd party vendors and identified opportunities to maximize Medicaid claiming.

Community Care Services

Billing Work Flow Assessment (2011): Consultant

Project: Assessed billing practices at two outpatient settings to proactively identify problems that could result in payment issues, including the interface with the practices of third party vendors. Identified opportunities to maximize third party revenue.

Department of Health Care Policy and Financing, State of Colorado

Hospital Provider Fee Consulting Services (2009-2013): Consultant

Project: Provide state with analytical and regulatory support throughout the development and approval of hospital provider fee. Participate in internal meetings with state staff on a weekly basis to prepare for monthly Board meetings. Assisted the state with Medicare 2552 hospital cost report data aggregation.

Nursing Facility Provider Fee Modeling and Consulting (2012-2014): Consultant

Project: Provide state with analytical and regulatory support through Nursing Facility Provider Fee modeling analysis, and Upper Payment Limit analysis. Attend meetings with the Provider Fee Advisory Board.

Hospital Inpatient Rate Reform: (2010-2014): Consultant

Project: Assisting the state to implement APR-DRG system for inpatient hospital reimbursement. Analyzing prior period claims in 3M grouper software in order to calculate appropriate DRG weights. Will present draft weights and impact analyses to hospitals prior to implementation. Supported Hospital Quality Incentive Payment (HQIP) Committee that was formed to develop a thorough proposal for quality incentive payments that was well thought out and well documented. Met on a bi-weekly basis January – April 2011. Developed and presented proposal to Oversight and Advisory Board (OAB) and received approval to implement HQIP program to be implemented in October 2012.

Nursing Facility Pay-for-Performance (P4P) Review (2010-2013): Consultant

Project: Reviewed, evaluated, and validated applications for the Pay-for-Performance program. Provided final evaluation results of the Pay-for-Performance applications to the Department and a report detailing the recommendations to the Department for continuing and improving the program to promote a high quality of life and quality of care for residents of nursing facilities.

Department of Health Services, State of Wisconsin

Outpatient Hospital Rate Setting (2012-2014): Consultant

Project: Developing payment weights and rates for implementation of Enhanced Ambulatory Patient Groups (EAPGs). Analyzing paid claims data and cost report data to establish appropriate weights and rates. Conducting training with hospitals to understand implementation necessities and requirements.

Critical Access Hospital Cost Settlement: (2009-2014): Consultant

Project: Created templates to facilitate cost settlement calculations for critical access hospitals. Utilized SQL and Access to organize Medicare cost report data from HCRIS database and Medicaid claims data from the MMIS system. Provided support to state during provider inquiries related to settlement calculations.

BTB Associates, LLC

CEO Model Data Package (2009-Present): Project Manager

Project: Providing data packages on an ongoing basis based on the CMS Healthcare Cost Report Information System (HCRIS). Tailors queries and data points to client's specifications in order to compare a variety of metrics between peer hospitals.

Department of Public Health, Lemuel Shattuck Hospital, Commonwealth of Massachusetts

Federal and State Cost Reporting Compliance Project (2009-2014): Consultant

Project: Prepared Medicare CMS 2552 and Medicaid 403 cost reports on behalf of the facility. Completed diligent analysis of the facility expenses to ensure all allowable costs were captured and reported in the cost reports. Provided audit support for Medicare audits of FY2003 to current cost reports.

Discrete Cost Analysis (2009-2014): Consultant

Project: Thoroughly analyzed charges, expenditures, and revenue of the different hospital units. Worked directly with the CFO in order to determine cost allocation for the various hospital units. Created detailed excel spreadsheets in order to analyze the information.

Massachusetts Hospital School, Tewksbury Hospital, Western Massachusetts Hospital, Chelsea and Holyoke Soldiers' Homes, Commonwealth of Massachusetts

Federal and State Cost Reporting Compliance Project (2009-2014): Consultant

Project: Prepared, submitted and supported all required federal and state compliance reports including Medicare CMS-2552 and Medicaid DHCFF-403 cost reports. Completed detailed analysis of all costs, revenue, and expenditures pertaining to each facility. Worked diligently on allocating costs to their specific departments.

Walden Behavioral Care, Commonwealth of Massachusetts

Private Hospital Federal and State Cost Reporting Compliance Project (2009-2014): Consultant

Project: Prepared and submitted all required federal and state cost reports including Medicare (CMS-2552) and Medicaid (DHCFP-403) cost reports. Worked closely with hospital CFO in order to obtain specific information needed to complete a detailed analysis of all costs, revenue, and expenditures pertaining to the facility.

South Bay Mental Health Center, Commonwealth of Massachusetts

Private Hospital Federal and State Cost Reporting Compliance Project (2009-2012): Consultant

Project: Prepared and submitted Medicare (CMS-2088) cost report with supporting documentation. Worked with facility Controller to obtain accurate reports of facility costs, revenue, and statistics included in the report.

Division of Medical Assistance, State of North Carolina

School Based Cost Reporting (2010-2014): Consultant

Project: Compiled and submitted school based cost reports for eligible clinicians providing services to Medicaid students. Through this reconciliation process, the total cost to districts of providing students with Medicaid services is compared to the funds the districts have already received through the Medicaid Fee-for-Service program. The cost reports resulted in an additional \$10 million in reimbursement for these North Carolina districts for FY09.

Boston Public Schools, City of Boston

Municipal Medicaid Services Project (2009-2014): Consultant

Project: Responsible for preparing Administrative Activity Claims on behalf of Boston Public Schools. Also, responsible for preparing annual cost report for Boston Public Schools. Collect and analyze financial data, apply time study results, and input data into claiming tool used to calculate federal Medicaid reimbursement for health services performed in school districts.

PROFESSIONAL BACKGROUND

Public Consulting Group, Boston, MA

July 2009 – Present

EDUCATION

Clark University, Worcester, MA

Master's Degree, Business Administration, Concentration in Finance, 2008

Clark University, Worcester, MA

Bachelor of Arts, American Government and Public Policy, 2007

McKenzie Ratcliff**BUSINESS ANALYST AT PUBLIC CONSULTING GROUP, INC.**

McKenzie Ratcliff, Business Analyst, has worked on numerous projects to improve program effectiveness and fiscal return for PCG clients. She has provided support in preparing cost reports and other key deliverables for school districts and ambulance providers across multiple states including leading onsite and remote training presentations, as well as facilitating and completing compliance reviews. This includes serving as a project lead to multiple fire departments in Florida to complete cost reports for the Public Emergency Medical Transportation (PEMT) program. Additionally, Ms. Ratcliff has led and contributed to project initiatives in federal and state compliance, Medicaid billing analysis, Medicaid cost reporting, statewide school based cost settlement operations and training, process improvement and program management best practices in the state of Wisconsin. She also provides support for both school districts and fire departments in Texas to complete cost reports and ensure compliance for revenue maximization efforts for districts and providers.

RELEVANT PROJECT EXPERIENCE**Miami-Dade Fire Rescue, Orange County Fire Rescue Department, Hillsborough County Fire Rescue, Tampa Fire Rescue, West Palm Beach Fire Rescue (among approximately 35 active clients), State of Florida**Public Emergency Medical Transportation Program

Ms. Ratcliff: Assisted multiple providers throughout the state of Florida to provide cost reporting services for the Public Emergency Medical Transportation (PEMT) program. Manages PCG's annual cost reporting efforts, including implementing web-based cost reporting solution, preparing and submitting cost reports, ensuring compliance, and providing ongoing audit support services.

Carrollton Fire-Rescue, Dallas Fire-Rescue, Galveston County Health District, Garland Fire Department, Grand Prairie Fire Department, Houston Fire Department, MedStar (Tarrant County), Montgomery County Hospital District, San Antonio Fire Department, Texas City Fire Department, State of TexasAmbulance Supplemental Payment Program

Ms. Ratcliff: Worked with fire departments and ambulance providers to design, gain approval for, and implement the Ambulance Supplemental Payment Program (ASPP), a federally approved program that provides additional reimbursement for governmental providers that serve Medicaid and Uninsured patients. Supported the preparation of annual cost reports as well as provided comprehensive support throughout the State's desk review process.

Fort Worth Cost Reporting, State of TexasSchool Health and Related Services

Ms. Ratcliff: Led efforts to complete the Fort Worth school-based services cost report. This includes the aggregation numerous data sets in order to complete all components of the cost report. Additionally, provides district officials year to year trend analysis identifying trends, potential outliers as well as areas to improve both compliance and revenue generated.

Department of Health Services, State of WisconsinMedicaid School Based Services Cost Reporting/Reconciliation Initiative

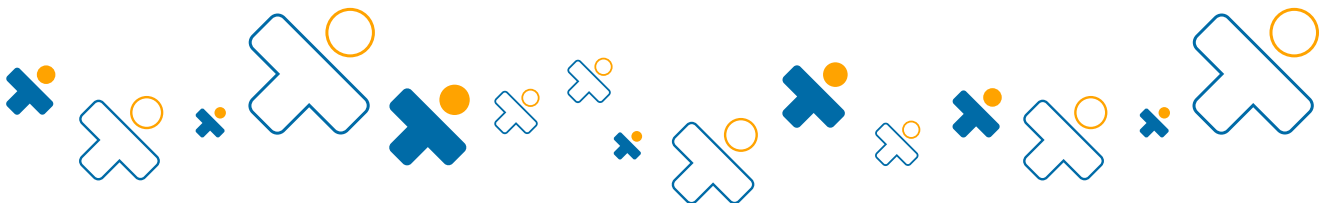
Ms. Ratcliff: Led and executed efforts relating to Medicaid state-wide cost reporting and cost settlement operations for the 400 plus school districts participating in the SBS program. This includes working to provide school district administrators with the utmost support in the completion of the cost reports. This includes one on one discussions and ad hoc trainings to answer programmatic questions. Additionally, Ms. Ratcliff has led the conducting of numerous statewide training presentations. Lead and facilitated onsite and remote monitoring reviews to ensure compliance with program requirements.

EDUCATION***The University of Texas at Austin***

B.A. Psychology, 2015

Attachment 2 - Legal Redlines

Per RFQ Instruction: Vendor need not not return every page of the soliciation. We have provided only the page with the recommended edit as redlined.



- B. Upon the occurrence of a Force Majeure Event, the non-performing party shall notify the other party of the occurrence of such event and describe in reasonable detail the effect(s) of such event upon the party's performance of its obligations and duties pursuant to this Contract. Such notice shall be delivered or otherwise **five (5)** communicated to the other party within ~~two (2)~~ business days following the failure or delay caused by the Force Majeure Event, or as soon as possible after such failure or delay if the Force Majeure Event precludes the non-performing party from providing notice within such time period.
- C. In the event of a Force Majeure Event, the time for performance by the parties under the applicable statement of work shall be extended for a period of time equal to the time lost by reason of such cause through execution of a change order pursuant to the terms of the Contract.

3.36 Contractor's Personnel

The Contractor shall be responsible for ensuring that its employees, agents, and Subcontractors comply with all applicable laws and regulations and meet all federal, state, and local requirements related to their employment and position.

- Contractor shall verify that its employees, agents, and Subcontractors are not on the office of Inspector General U.S. Department of Health and Human Services exclusions database.

By submission of a proposal, each Contractor certifies that it does not and will not, during the performance of the awarded Contract, employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986, as amended.

During the performance of the Contract, the Contractor shall agree to the following:

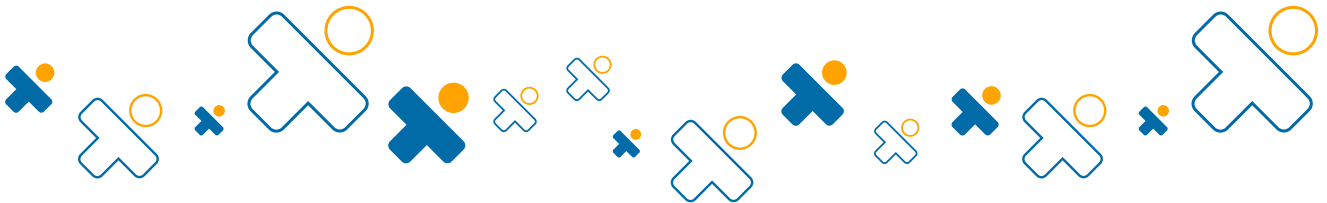
- The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, age, handicap, or national origin, except when such condition is a bona fide occupational qualification reasonably necessary for the normal operations of the Contractor. The Contractor agrees to post in conspicuous places, visible to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, shall state that such Contractor is an Equal Opportunity Employer.

Notices, advertisements, and solicitations placed in accordance with federal law, rule, or regulation shall be deemed sufficient for the purpose of meeting the requirements of this Section 3.36.

The Contractor shall include the provisions of the foregoing paragraphs above in every subcontract or purchase order so that the provisions will be binding upon each

Volusia County

Attachment 3 - Financial Statements





INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Consolidated Financial Statements

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)

CONFIDENTIAL

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Table of Contents

	Page(s)
Independent Auditors' Report	1–2
Consolidated Financial Statements:	
Consolidated Balance Sheets as of December 31, 2015 and 2014	3
Consolidated Statements of Operations and Comprehensive Loss for the years ended December 31, 2015 and 2014	4
Consolidated Statements of Stockholder's Equity for the years ended December 31, 2015 and 2014	5
Consolidated Statements of Cash Flows for the years ended December 31, 2015 and 2014	6
Notes to Consolidated Financial Statements	7–33

CONFIDENTIAL



KPMG LLP
Suite 750
450 East Las Olas Boulevard
Fort Lauderdale, FL 33301

Independent Auditors' Report

The Board of Directors and Stockholder
Intermedix Corporation:

We have audited the accompanying consolidated financial statements of Intermedix Corporation and subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2015 and 2014, and the related consolidated statements of operations and comprehensive loss, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the financial position of Intermedix Corporation and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Fort Lauderdale, Florida
April 29, 2016
Certified Public Accountants

CONFIDENTIAL

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc)

Consolidated Balance Sheets

December 31, 2015 and 2014

(In thousands, except per share data)

Assets	2015	2014
Current assets:		
Cash and cash equivalents	\$ 8,312	15,440
Restricted cash	1,320	1,337
Receivables, net	43,697	46,422
Prepaid expenses and other current assets	4,858	4,642
Deferred income taxes		2,192
Total current assets	58,187	70,033
Property and equipment, net	21,461	18,651
Goodwill	385,814	388,463
Intangible assets, net	228,948	261,506
Debt issuance costs	6,861	7,742
Other assets	1,408	2,449
Total assets	\$ 702,679	748,844
Liabilities and Stockholder's Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 11,175	11,637
Accrued payroll and related benefits	8,557	8,168
Collections payable to clients	9,850	14,544
Deferred revenue	9,853	10,713
Senior term loans	6,869	6,869
Other current liabilities	2,275	—
Total current liabilities	48,579	51,931
Revolving credit facility	58,000	60,000
Capital lease obligation	1,024	—
Senior term loans	254,144	261,012
Subordinated debt	112,000	112,000
Deferred income taxes	50,670	66,515
Other long-term liabilities	1,889	3,170
Total liabilities	526,306	554,628
Commitments and contingencies		
Stockholder's equity:		
Common stock, \$0.01 par value; 2,000 shares authorized at December 31, 2015 and 2014, respectively; 1,280 shares issued and outstanding at December 31, 2015 and 2014, respectively	13	13
Additional paid-in capital	315,101	310,689
Accumulated deficit	(137,159)	(116,468)
Accumulated other comprehensive loss	(1,582)	(826)
Non-controlling interest	—	808
Total stockholder's equity	176,373	194,216
Total liabilities and stockholder's equity	\$ 702,679	748,844

See accompanying notes to consolidated financial statements.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc)

Consolidated Statements of Operations and Comprehensive Loss

Years ended December 31, 2015 and 2014

(In thousands)

	<u>2015</u>	<u>2014</u>
Revenues:		
Business services revenue	\$ 195,430	182,838
Subscription and other revenue	36,734	40,726
Total revenues	<u>232,164</u>	<u>223,564</u>
Costs and expenses:		
Cost of business services revenue	112,209	104,711
Cost of subscription and other revenue	10,575	10,638
Selling, general and administrative expenses	57,085	48,369
Stock-based compensation expense	4,412	3,749
Depreciation and amortization expense	43,223	40,619
Impairment of intangible assets and goodwill	7,429	2,317
Total costs and expenses	<u>234,933</u>	<u>210,403</u>
Operating (loss) income	(2,769)	13,161
Interest expense, net	(29,975)	(31,106)
Gain on business acquisition	—	3,002
Other income (loss), net	(16)	386
Loss before income taxes	<u>(32,760)</u>	<u>(14,557)</u>
Income tax benefit	12,069	5,522
Net loss	<u>(20,691)</u>	<u>(9,035)</u>
Other comprehensive loss:		
Foreign currency translation adjustment	(756)	(826)
Comprehensive loss	<u>\$ (21,447)</u>	<u>(9,861)</u>

See accompanying notes to consolidated financial statements.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings, Inc.)

Consolidated Statements of Stockholder's Equity

Years ended December 31, 2015 and 2014

(In thousands)

	Common stock		Par value	Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive loss	Noncontrolling interest	Total equity
	Number of shares							
Balance at December 31, 2013	1,280	\$	13	308,275	(107,433)	—	515	201,370
Contribution of stock option proceeds from Parent	—		—	25	—	—	—	25
Contingent acquisition purchase price paid in Parent stock	—		—	(1,360)	—	—	—	(1,360)
Noncontrolling interest distribution	—		—	—	—	—	(33)	(33)
Income attributable to noncontrolling interest	—		—	—	—	—	326	326
Stock-based compensation expense	—		—	3,749	—	—	—	3,749
Cumulative foreign translation adjustment	—		—	—	—	(826)	—	(826)
Net loss	—		—	—	(9,035)	—	—	(9,035)
Balance at December 31, 2014	1,280		13	310,689	(116,468)	(826)	808	194,216
Noncontrolling interest distribution	—		—	—	—	—	(804)	(804)
Loss attributable to noncontrolling interest	—		—	—	—	—	(4)	(4)
Stock-based compensation expense	—		—	4,412	—	—	—	4,412
Cumulative foreign translation adjustment	—		—	—	(20,691)	(756)	—	(756)
Net loss	—		—	—	(20,691)	—	—	(20,691)
Balance at December 31, 2015	1,280	\$	13	315,101	(137,159)	(1,582)	—	176,373

See accompanying notes to consolidated financial statements.

INTERMEDIUM CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc)

Consolidated Statements of Cash Flows
Years ended December 31, 2015 and 2014
(In thousands)

	2015	2014
Cash flows from operating activities:		
Net loss	\$ (20,691)	(9,035)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	43,223	40,619
Amortization of debt issuance costs	1,581	1,538
Impairment of goodwill and intangible assets	7,429	2,317
Gain on business acquisition	—	(3,002)
Stock-based compensation expense	4,412	3,749
Deferred income taxes	(12,916)	(6,364)
Change in noncontrolling interest	(4)	326
Other noncash items	791	(444)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable	2,344	(5,298)
Prepaid expenses and other current assets	(216)	(1,729)
Accounts payable and accrued expenses	(462)	951
Accrued payroll and related benefits	389	(1,243)
Deferred revenue	(1,319)	(571)
Collections payable to clients	(4,694)	3,761
Other assets/liabilities	1,115	(461)
Net cash provided by operating activities	20,982	25,114
Cash flows from investing activities:		
Deposits	—	(24)
Capital expenditures	(8,099)	(9,014)
Expenditures for computer software and developed technology	(8,254)	(8,571)
Cost of business acquisitions, net of cash acquired	(280)	(12,516)
Net cash used in investing activities	(16,633)	(30,125)
Cash flows from financing activities:		
Borrowings under revolving credit facility	3,000	66,500
Repayments under revolving credit facility	(5,000)	(9,500)
Repayment of senior term loans	(6,869)	(53,869)
Contribution from sale of parent common stock	—	25
Distribution of noncontrolling interest	(804)	(33)
Settlement of contingent consideration	(820)	—
Principal payments on debt issuance costs	(700)	(693)
Repayment of capital lease obligation	(470)	—
Net cash (used in) provided by financing activities	(11,663)	2,430
Effect of foreign currency	186	(43)
Net decrease in cash and cash equivalents	(7,128)	(2,624)
Cash and cash equivalents, beginning of year	15,440	18,064
Cash and cash equivalents, end of year	\$ 8,312	15,440
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	\$ 29,067	28,856
Income taxes, net of refunds	1,960	1,134
Non-cash investing activities:		
Purchase accounting adjustments (note 5)	\$ 580	211
Capital lease obligations to purchase equipment	2,332	—

See accompanying notes to consolidated financial statements.

INTERMEDIX CORPORATION AND SUBSIDIARIES

(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(1) Description of Business

Intermedix Corporation (the Company) is a wholly owned subsidiary of Intermedix Holdings, Inc. (Parent), that provides revenue cycle management (RCM) services, physician management services, technology-based solutions, and healthcare data analytics primarily to the emergency medical industry. The Company provides a comprehensive RCM solution, combining technologies and services to manage the policy administration, clinical documentation, billing, and informatics needs of its clients. Certain RCM contracts also include the provision of electronic patient care reporting (ePCR) systems. The Company's RCM customers include (i) emergency room physicians, (ii) hospital emergency medicine departments, (iii) urgent care providers, (iv) anesthesiology physicians and nurses, (v) emergency medical transportation providers (EMS) – both ground and air, (vi) fire departments, and (vii) 911-emergency first responders. Customers include both governmental municipalities and private-sector service providers located throughout the United States.

The Company also provides physician services support to both individual physicians and established independent physician groups that include assistance in group formation and first contract acquisition such as practice feasibility studies; proposal development and presentation; contract development and negotiations; practice design and organization; and recruiting, scheduling, and credentialing. For emergency physician groups, the Company offers a wide range of resources such as group governance, Web-based peer review tools, accounting and financial reporting, human resource management, malpractice insurance negotiations, tax planning, and other contractual negotiations.

The Company also provides Web-based information technology solutions primarily to the public health and emergency services markets. The Company's technology consumers include hospitals, EMS providers, fire departments, law enforcement agencies, physician groups, and state and local departments of health. Technology offerings include (i) real-time communications, (ii) inventory and resource management, (iii) mass multimedia notification, (iv) volunteer registry tracking, (v) patient and evacuee tracking, (vi) fleet management solution for real-time exchange of information between CAD systems and vehicle crews, (vii) collaboration tools that create a common operating picture, enabling emergency managers to make sound decisions and allowing users to manage multiple incidents and daily events, assign, and track missions and tasks, provide situation reports, and manage resources, (viii) electronic health care reporting systems (Ehcr) for physician practices, (ix) predictive modeling software and (x) prehospital ePCR systems that interface with the Company's RCM billing platform. These solutions integrate a full range of key emergency preparedness and response activities, and scale from daily use to large-scale utilization surges during regional and/or national mass casualty and public health incidents.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the consolidated accounts and operations of the Company and its majority-owned subsidiaries and have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). All significant intercompany accounts and transactions have been eliminated.

In March, 2015, the Company acquired the remaining 28% interest in Tucuxi, LLC (Tucuxi), a software development joint venture between the Company's wholly owned subsidiary ESI Acquisition

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Corp (ESI) and an outside third party for a purchase price of \$0.3 million. Prior to the Company's acquisition of Tucuxi's remaining interest, the operating results of the joint venture with Tucuxi were consolidated with those of the Company, and the noncontrolling interest was included in stockholders' equity in the accompanying consolidated balance sheet. The noncontrolling interest expense recorded for 2015 and 2014 was not material and was included within other income (loss), net in the accompanying consolidated statements of operations and comprehensive loss.

(b) Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting periods. Management utilizes estimates in determining the value of stock-based compensation awards, the useful lives of its long-lived and intangible assets, allowances for doubtful accounts, the impairment of goodwill and other intangible assets, the valuation of deferred tax assets, income tax uncertainties, and purchase price allocations pursuant to business combinations, as well as certain consolidated financial statement disclosures. Actual results could differ from such estimates.

(c) Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash and cash equivalents include amounts billed and collected on behalf of clients (see item (l) below for discussion of related liability). A book overdraft of \$1.4 million for 2015 was included in other current liabilities on the consolidated balance sheet and included as an operating activity for cash flow purposes.

(d) Receivables, Net

Trade Receivables

Trade receivables primarily consist of amounts due to the Company pursuant to service, subscription, and/or license contracts with its customers. Also included in trade receivables is the current portion of notes receivables due from certain customers, which totaled \$3.5 million and \$3.9 million, respectively, as of December 31, 2015 and 2014. The carrying amount of trade receivables approximates fair value given the short maturities of such receivables.

Allowances for Refunds and Doubtful Accounts

Reserves related to trade receivable collectibility are recorded when specific accounts are identified as being at risk based on review of past-due accounts and the related facts and circumstances. As of December 31, 2015 and 2014, the allowance for refunds and doubtful accounts totaled \$1.6 million and \$1.0 million, respectively, in the accompanying consolidated balance sheets.

INTERMEDIUM CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(e) Prepaid Expenses and Other Current Assets

“Prepaid expenses and other current assets” consist of amounts paid in advance for insurance, maintenance contracts, and other customary and routine items required for the operation of the business.

(f) Property and Equipment, Net

“Property and equipment, net” is stated at cost less accumulated depreciation and amortization. Depreciation and amortization on property and equipment are calculated on a straight-line basis over the estimated useful life of each asset. Leasehold improvements are amortized over the shorter of the underlying lease term or useful life of the asset. Maintenance and repairs are charged directly to expense as incurred, while betterments and renewals are generally capitalized as property, equipment, and leasehold improvements. When an item is retired or otherwise disposed of, the cost and applicable accumulated depreciation and amortization are removed and the resulting gain or loss is recognized.

(g) Computer Software and Technology Development Costs

Certain computer software and technology development costs are capitalized in “Intangible assets, net” in the accompanying consolidated balance sheets. In accordance with Accounting Standard Codification (ASC) Topic 350-40, *Internal-Use Software* (ASC Topic 350-40), the Company capitalizes costs incurred during the application development stage related to its proprietary software platforms and to its enterprise cloud computing application services, as well as for modifications to existing computer software that result in additional functionality. Costs incurred for the development of internal-use software largely consist of payroll and payroll-related costs for employees and consultants who are directly associated with and who devote time to the internal-use computer software projects. Such costs are expensed until (i) the preliminary project stage is completed, (ii) management has authorized and committed funding for the project, and (iii) it is probable that the project will be completed and the software will be used to perform the function intended, at which time, in accordance with ASC Topic 350-40, any additional software development costs are capitalized.

Amortization of internally developed computer software, which is included in “Depreciation and amortization expense,” begins when development is substantially complete and the computer software is ready for its intended use. These costs are amortized over the period in which the asset is expected to contribute directly or indirectly to future cash flow. The Company generally amortizes internally developed software on a straight-line basis over a five-year period and periodically reassesses the estimated useful lives of its internally developed software in consideration of, among other factors, the effects of (i) obsolescence, (ii) technology, (iii) competition, and (iv) other economic factors.

To a much lesser extent, the Company capitalizes certain development costs related to software licenses sold to customers (note 2(m)) in accordance with ASC Topic 985-20, *Costs of Software to Be Sold, Leased, or Marketed*, in which capitalization begins upon the establishment of technological feasibility.

The Company assesses the recoverability of computer software development costs by comparing the carrying amount to the fair value whenever events or changes in circumstances indicate that its carrying

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

amount may not be recoverable. An impairment loss is recognized if the carrying amount exceeds the fair value. In determining fair value of internally developed computer software, the Company considers whether (i) it is expected to provide continued substantive service potential, (ii) significant changes in the extent or manner in which the software is used or is expected to be used, (iii) it is or is expected to undergo a significant change, or (iv) projected development or modification costs significantly exceed original estimates.

(h) Goodwill and Intangible Assets

Goodwill is recorded in accordance with ASC Topic 805, when the consideration paid for an acquisition exceeds the fair value of identifiable net tangible and identifiable intangible assets acquired. In accordance with ASC Topic 350, *Intangibles – Goodwill and Other* (ASC Topic 350), goodwill and other indefinite-lived intangible assets are reviewed for impairment at least annually. The Company has elected to perform its annual impairment testing as of October 31 of each year and as required should any triggering events occur indicating a potential for impairment.

Goodwill impairment is determined using a two-step process. The first step of the impairment test is used to identify potential impairment by comparing the fair value of a reporting unit to the book value, including goodwill. If the fair value of a reporting unit exceeds its book value, goodwill of the reporting unit is not considered impaired, and the second step of the measurement of goodwill impairment is not required. If the book value of a reporting unit exceeds its fair value, the second step of the impairment test is performed to measure the amount of the impairment loss, if any.

The second step of the impairment test compares the implied fair value of the reporting unit's goodwill with the book value of the goodwill. The reporting unit's implied fair value of goodwill is determined by allocating the fair value to the reporting unit's assets other than goodwill. The excess of any residual fair value after this allocation is used as the implied fair value of the reporting unit goodwill. If the book value of a reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess.

(i) Impairment of Long-lived Assets

The Company reviews long-lived assets and intangible assets subject to amortization for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or group of assets to future net cash flows expected to be generated by the asset or group of assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(j) Debt Issuance Costs, Net

The Company capitalizes and amortizes costs incurred to obtain financing over the term of the underlying obligation using the effective-interest method. The amortization of debt financing fees is included in "Interest expense, net" in the accompanying consolidated statements of operations and comprehensive loss.

INTERMEDIUM CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(k) Other Assets

Other assets consist of the long-term portion of other notes receivable, cost-basis investments, and deposits.

(l) Collections Payable to Clients

Collections payable to clients represents amounts collected on behalf of clients that have not yet been remitted to clients. Collection held for customers is included in "Cash and cash equivalents" in the accompanying consolidated balance sheets.

(m) Revenue Recognition

The Company recognizes non-software related revenue in accordance with the provisions of ASC 605, *Revenue Recognition*, and software-related revenue in accordance with ASC 985-605, *Software – Revenue Recognition*. In general, revenue is recognized when all of the following criteria have been met: (i) when there is persuasive evidence of an arrangement, (ii) the service or product has been provided to the customer, (iii) the collection of the fees is reasonably assured, and (iv) the amount of fees is fixed or determinable.

The Company's revenue is divided into two major components:

Business Services Revenue – Business services revenue represents fees earned from the Company's RCM businesses for account billing and clinical systems use, and from its physician support services, including recruiting, scheduling, credentialing, accounting, financial reporting, human resource management, insurance negotiations, planning, and other contractual negotiations.

Technology Revenue – Technology revenue includes: (i) subscription revenue for fees earned from the Company's software-as-a-service (SaaS) offerings, whereby customers are granted access to the Company's Internet-based software solutions, (ii) sales of software licensing rights to end-users and value added resellers or VARs; (iii) professional services, including implementation, training, and consulting services and (iv) software support and maintenance.

The Company recognizes revenue for each of its major revenue components as follows:

Business Services Revenue

Business Services Revenue is typically charged to the customer based on a percentage of total collections or on a per incident fee. Fees based on a percentage of collections are not fixed or determinable until collections are realized; thus, in accordance with ASC Topic 605, *Revenue Recognition* (ASC 605), revenue is recorded when such collections are made. Fees on a per incident basis are recognized in the month in which the incident occurs.

INTERMEDIUM CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Technology Revenue

Subscription and Other Revenue

Under the Company's SaaS-based product offerings, customers do not have the right to take possession of the software, and in accordance with ASC Topic 985, *Software* (ASC 985), these arrangements are considered service contracts, which are outside the scope of ASC 985.

Subscription and support services revenue constitutes a majority of the technology revenue and is recognized ratably over the contract terms in accordance with ASC 605. Implementation and training revenue, when sold with SaaS offerings, is accounted for separately when there is objective evidence of the fair value of each deliverable. Implementation and training revenue is recognized as the corresponding services are performed, and were not material for 2015 or 2014.

Hosting services revenue represents fees charged to manage and host customers' hardware and software solutions at the Company's data centers. Hosting services revenue is recognized ratably over the contract term in accordance with ASC 605.

Hardware revenue, which represents the sale of mobile devices that are utilized in conjunction with the Company's SaaS-based solutions, is recognized upon delivery to the customer when all of the other revenue recognition criteria are met. Support services that are sold together with hardware devices are accounted for separately, when there is objective evidence of the fair value of each deliverable, and are recognized ratably over the service term.

Software Licensing Arrangements Involving Multiple Elements

Some of the Company's technology offerings are sold under licensing arrangements and may contain multiple elements of the deliverables noted above. Revenue earned on software arrangements involving multiple elements is allocated to each element based on the relative fair values of those elements. The fair value of an element is based on vendor-specific objective evidence (VSOE). The Company limits its assessment of VSOE to either the selling price charged when the same element is sold separately or the selling price established by management having the relevant authority to do so. The selling price for each element is set based on an established and maintained price list for each customer group. In determining selling prices, the Company considers; (i) competitor pricing, (ii) supply and demand of professional services staff, (iii) overall economic conditions, and (iv) cost to provide the software system element. Prices and/or VSOE are updated and reviewed annually depending on the nature of the product or service.

In most cases, VSOE is established for each software element at the point of sale. Provided the fees are fixed or determinable and collection is considered probable, revenue from these licensing rights and related software sales are generally recognized upon physical or electronic shipment and transfer of title. For some of the Company's technology offerings, no VSOE can be established until significant customized installations have been completed usually requiring several months to complete. In these cases, licensing rights and related software sales are recognized on a percentage of completion basis in accordance with ASC 985-605.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Revenue from implementation, training, and other professional services is recognized as the corresponding services are performed, or in certain instances upon acceptance of the services by the customer. Support and maintenance revenue is recognized ratably over the contractual maintenance period, typically 12 months.

Amounts that have been invoiced for technology revenue are recorded in accounts receivable and in deferred revenue or revenue, depending on the whether the revenue recognition criteria have been met.

(n) Cost of Revenues

Cost of business services revenue primarily includes direct production costs such as labor, patient statement printing and mailings, telecommunications, facility, and e-commerce costs. Cost of technology revenue includes labor, hardware, and data center costs.

(o) Employee Stock-based Compensation

Certain employees and directors of the Company participate in a stock option plan of the Parent. Stock option grants made to Intermedix Corporation employees and directors to acquire Parent common stock are accounted for pursuant to ASC 718, *Compensation – Stock Compensation* (ASC Topic 718) and any resulting stock-based compensation is pushed down to Intermedix Corporation with a corresponding offset to additional paid-in capital. Compensation expense for all stock-based compensation awards granted is based on the grant-date fair value estimated in accordance with the provisions of ASC Topic 718. The Company recognizes these compensation costs on a straight-line basis over the requisite service period of the award, which is generally the option vesting term. The Company's options vest over terms of five years. As stock-based compensation expense recognized is based on awards ultimately expected to vest, such expense is generally reduced for estimated forfeitures. ASC Topic 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

The Company estimates the fair value of stock-based compensation awards on the date of grant using the Black-Scholes-Merton (BSM) option pricing model, which was developed for use in estimating the value of traded options that have no vesting restrictions and are freely transferable. The BSM option pricing model considers, among other factors, the expected life of the award and the expected volatility of the Company's stock price.

(p) Income Taxes

The Company's operations are included in the consolidated federal income tax return of the Parent. The Company's income tax provision was prepared on a separate return method as if the Company filed a separate income tax return. Income tax payable or receivable generally represents amounts due to the Parent for current taxes calculated under the separate return method. Income taxes are accounted for under the asset-and-liability method in accordance with ASC Topic 740, *Income Taxes* (ASC Topic 740). Deferred tax assets and liabilities are recognized for (i) the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and (ii) operating loss and credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the

INTERMEDIX CORPORATION AND SUBSIDIARIES

(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Net deferred tax assets are recorded to the extent that these assets will “more likely than not” be realized. In making such determination, all available positive and negative evidence is considered, including future reversals of existing temporary differences, projected future taxable income, tax planning strategies, and results of recent financial operations. The Company has elected the early adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2015-14 (ASU 2015-14), ASC Topic 740, *Income Taxes*, regarding the balance sheet classification of deferred taxes on a prospective basis. Pursuant to ASU 2015-17, the Company is presenting all deferred tax assets and liabilities as noncurrent liabilities in its accompanying consolidated financial statements as of December 31, 2015. Prior year amounts have not been reclassified.

ASC Topic 740 prescribes a recognition threshold and measurement attributes for financial statement disclosure of tax positions taken or expected to be taken in a tax return, if that position is “more likely than not” of being sustained upon examination by the relevant taxing authority, based on the technical merits of the position. The tax benefits recognized in the Company’s consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. There was no liability for unrecognized tax benefits as of December 31, 2015 and 2014.

(q) Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable.

The Company attempts to limit its credit risk by maintaining deposit relationships with high-credit-quality financial institutions. No individual account receivable accounted for more than 10% of consolidated accounts receivable as of December 31, 2015 and 2014 and no individual customer accounted for more than 10% of consolidated revenue for the years ended December 31, 2015 and 2014.

(3) Restricted Cash

As of December 31, 2015 and 2014, respectively, the Company had \$1.3 million of restricted cash, representing collateral to secure a letter of credit and certain performance bonds. The letter of credit is secured by a collateralized bank account and the performance bonds are secured by six-month auto renewable Certificates of Deposit (CD’s). Pursuant to the contractual terms to provide RCM and/or technology services to certain clients, the Company was required to furnish such letter of credit or CD’s to assure its performance under the respective contracts.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(4) 2014 Acquisitions

During 2014, the Company entered into three separate transactions, as described below, wherein it acquired a business or substantially all the assets of a business. The transactions were funded with internally generated cash and borrowings under the Company's revolving credit facility. The allocation of the purchase price of the assets acquired and liabilities assumed for each transaction is reflected in the table below under "Purchase Price Allocation of 2014 Acquisitions." The transactions resulted in aggregate goodwill of \$4.7 million, of which \$1.7 million is deductible for tax purposes. In general, goodwill reflects the value of the Company's expectations for future growth opportunities resulting from expansion of its new RCM and software lines of business, and the unique synergies created by leveraging its current product offerings with those of the acquired companies, to broaden both its existing customer base and to differentiate itself with new sales opportunities. Specific discussion with respect to the factors giving rise to goodwill is included below by transaction.

(a) *The Optima Corporation Limited*

On March 31, 2014, the Company entered into a Share Purchase Agreement (SPA) with the Optima Corporation Limited (Optima), a registered New Zealand limited company, whereby the Company acquired 100% of the issued and outstanding shares of the Optima for a purchase price of \$6.1 million. The purchase price was funded by borrowings under the Company's revolving credit facility and internally generated cash.

Optima is a software development Company that provides a narrowly focused system of services and products, primarily in the emergency services space. Optima's primary product offerings are its "Live" and "Predict" products which are geared toward the science of utilizing operational research (mathematically based software) to drive enhanced situational awareness to improve managing a client's resources.

The acquisition resulted in the recordation of \$2.9 million of goodwill. The goodwill recognized reflects the value of the Company's expectations that the acquisition of Optima will (i) provide entry into a niche market with complex mathematical techniques (algorithms) not easily replicated; (ii) provide a scalable business platform which can be integrated into the Company's Technology business with a revenue model of license fees, implementation fees, maintenance and support and consultancy; and (iii) provide a significant pipeline of opportunities which can be coupled with the Company's existing customer base.

(b) *RevCycle+, Inc.*

Pursuant to an Asset Purchase Agreement (APA) dated June 6, 2014, Intermedix Physician Services, LLC (IPS), a newly formed, wholly owned subsidiary of the Company, acquired the RCM operations of RevCycle+, Inc. (RevCycle) from T-Systems, Inc. in consideration for (i) the amount of the liabilities assumed by the Company which aggregated \$3.8 million, (ii) a working capital adjustment that equated to \$0.9 million and (iii) plus or minus an Earn-Out Payment as described below. At the date of acquisition, the fair value of assets, primarily customer relationships and accounts and notes receivable, exceeded the value of the consideration assumed and tendered and accordingly, the Company accounted for the acquisition as a bargain purchase. ASC 805-30-30 defines a bargain

INTERMEDIX CORPORATION AND SUBSIDIARIES

(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

purchase as a business combination in which (a) the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed in the acquisition, exceeds (b) the total acquisition-date value of the acquired company and mandates that the resulting “*negative goodwill*” be recognized as an extraordinary gain in the income statement. Accordingly, the Company has recognized a gain on business acquisition of \$3.0 million in the accompanying consolidated statement of operations and comprehensive loss for the year ended December 31, 2014.

The APA also provided for an Earn-Out Payment to be paid to either the buyer or seller depending on whether Annualize Revenues, as defined in the APA, exceeded or fell short of \$10.0 million (Target Amount). The amount of the payment was to be equal to the amount by which Annualized Revenues exceeded or fell short of the Target Amount, but in no event was it to exceed \$2.0 million. On June 30, 2015, the Calculation Date, it was determined that the Annualized Revenues were short of the Target Amount and accordingly, the Seller paid to the Company an Earn-Out amount of \$525,000. This Earn-Out is included in other income (loss), net in the accompanying consolidated statement of operations and comprehensive loss for the year ended December 31, 2015.

In addition, the APA provided that RevCycle would reimburse IPS \$1.0 million for the purpose of covering IPS’s operating expenses related to the RCM operations acquired. Reimbursements were received on the 30th and 60th day following the date of Closing and have been recognized as a reduction in operating expenses in the accompanying consolidated statement of operations and comprehensive loss for the year ended December 31, 2014.

RevCycle is engaged in the business of providing billing, accounts receivable management, medical coding, and practice management services to emergency medical service providers, emergency department physicians, staffing groups, hospitals and similar entities.

(c) ***IOS Health Systems, Inc.***

Pursuant to an APA dated November 26, 2014, Intermedix Office Based, LLC (OBB), a newly formed, wholly owned subsidiary of the Company, purchased substantially all of the net assets of IOS Health Systems, Inc. (IOS). The purchase price of \$6.0 million was funded by borrowings under the Company’s revolving credit facility and internally generated cash.

IOS is a Software as a Service (SaaS) based medical practice software platform that provides clinical, financial and patient engagement solutions. IOS has four (4) product offerings: (i) an electronic health reporting system, (ii) practice management solutions, (iii) patient portals and (iv) partner portals.

As a result of this acquisition, the Company recorded goodwill of \$1.6 million, which reflects (i) the Company’s ability to own its own practice management technology platform to support growth plans, (ii) expansion of the Company’s capabilities in office-based physician market and (iii) provides new opportunities with electronic health record products, by offering a full suite of office-based physician solutions.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Determination of Estimated Fair Values of Assets Acquired and Liabilities Assumed

In accordance with guidance provided in ASC Topic 805, the Company was required to estimate and record the fair value of the assets acquired and liabilities assumed in the transactions described above. Methodologies and assumptions used in valuation of significant accounts acquired are described below:

(1) Current Assets

Current assets and primarily trade receivables were recorded at their carrying amount, which approximates fair value given the short maturity of these balances, with the exception of the RevCycle acquisition, where accounts and notes receivable were recorded at fair value which was less than the respective carrying values. The fair value of receivables acquired includes management's estimate of the cash flows not expected to be collected.

(2) Property and Equipment

In the estimation of the fair value of property and equipment, the Company used varying methods and procedures; however, those procedures followed the same basic principles of the cost approach, (i) a current cost to replace the asset new is calculated, and then (ii) the estimated replacement cost is reduced to reflect the applicable decline in value resulting from physical deterioration, functional obsolescence wherein and/or economic obsolescence.

(3) Intangible Assets Other Than Goodwill

Customer-related Intangible Assets

The fair value of customer relationships was established based on an income approach using the excess earnings method, by comparing the present value of the expected benefits from ownership of the subject intangible asset to the required return on the investment in the assets related to realizing the benefits.

Technology-related Intangible Assets

Technology fair values were established based on an income approach using the relief from royalty method, which recognizes that because the Company owns the technology, rather than licensing it, the Company does not have to pay a royalty for its use. The fair value of the technology is determined based on the present value of the after-tax cost savings.

Marketing-related Intangible Assets

Trademarks – The fair value of trademarks was established based on an income approach using the relief from royalty method, which recognizes that a trademark has a fair value equal to the present value of the royalty income attributable to it. The royalty income attributable to a trademark represents the hypothetical cost savings that are derived from owning the trademark instead of paying royalties to license the trademark from another owner.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Noncompetition Agreements – The fair value of noncompetition agreements was established based on an income approach, using a differential methodology, since their value is representative of the current and future revenue and profit erosion projection they provide. A differential was calculated whereby the profit of the business is projected under two scenarios: one “with” and one “without” the noncompetition agreement in place. The present value of the profits is determined in each scenario, and the differential between the two amounts is deemed the fair value of the noncompetition agreement.

All of the acquired intangibles, other than goodwill, aggregating \$14.8 million are amortizable. See note 8 for further disclosures.

Deferred Revenue

Deferred revenue consists of service contracts wherein the Company has a legal obligation to perform services and expects to incur future costs to fulfill those obligations. Estimates related to deferred revenue were based on the direct cost of fulfilling these obligations plus a normal profit margin.

Purchase Price Allocation of 2014 Acquisitions

The following tables summarize the consideration paid along with the allocations of the purchase price paid by the Company to acquire the businesses or assets in the three transactions described above (in thousands):

	<u>RevCycle+</u>	<u>IOS</u>	<u>Optima</u>	<u>Total</u>
Consideration:				
Cash (net of Optima cash acquired of \$464)	\$ 896	6,000	5,620	12,516
Total purchase price allocation	<u>\$ 896</u>	<u>6,000</u>	<u>5,620</u>	<u>12,516</u>
Recognized amounts of identifiable assets acquired and liabilities assumed:				
Current assets	\$ 4,255	149	792	5,196
Property and equipment	220	160	186	566
Other intangible assets	4,261	4,120	6,449	14,830
Other assets	—	975	—	975
Liabilities	(3,856)	(979)	(2,622)	(7,457)
Deferred income taxes	<u>(1,602)</u>	<u>—</u>	<u>(1,909)</u>	<u>(3,511)</u>
Total identifiable net assets acquired	3,278	4,425	2,896	10,599

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

	<u>RevCycle+</u>	<u>IOS</u>	<u>Optima</u>	<u>Total</u>
Goodwill (including assembled workforce)	\$ 620	1,575	2,724	4,919
Gain on bargain purchase	<u>(3,002)</u>	<u>—</u>	<u>—</u>	<u>(3,002)</u>
	<u>\$ 896</u>	<u>6,000</u>	<u>5,620</u>	<u>12,516</u>
Other intangible assets included above consist of the following by major intangible asset class:				
Customer-related	\$ 4,210	1,620	60	5,890
Technology-related	51	2,300	6,224	8,575
Marketing-related	<u>—</u>	<u>200</u>	<u>165</u>	<u>365</u>
	<u>\$ 4,261</u>	<u>4,120</u>	<u>6,449</u>	<u>14,830</u>

(5) Goodwill

Goodwill, which amounted to \$385.8 million and \$388.5 million at December 31, 2015 and 2014, respectively, represents the excess of purchase price over net assets acquired. During the year ended December 31, 2015, the Company's goodwill was affected by certain adjustments related to prior year acquisitions based on facts and circumstances that arose within the measurement period.

The change in carrying amount of goodwill for the year ended December 31, 2015 is as follows:

Balance at December 31, 2014	\$ 388,463
ARM impairment (see note 6)	(3,225)
Acquisition of remaining interest in Tucuxi, LLC (see note 2(a))	280
Purchase price adjustments	580
Effect of change in Foreign Currency – optima	<u>(284)</u>
Balance at December 31, 2015	<u>\$ 385,814</u>

ASC Topic 350 requires an impairment test be performed at least annually on the carrying value of goodwill at the reporting unit level. The Company 2015 and 2014 impairment testing indicated that the estimated fair value of goodwill exceeds its carrying value for all reporting units, except ARM (see note 6).

(6) ARM Contingent Purchase Price Adjustment and Impairment

Pursuant to an APA dated November 26, 2012, Intermedix ARM, LLC, a then newly formed, wholly owned subsidiary of the Company, purchased substantially all of the net assets of Anesthesia Revenue Management, Inc (ARM) for a purchase price of \$13.6 million. The purchase price was funded by \$12.2 million in cash and \$1.3 million in the Company's common stock. The APA provided for a contingent purchase price adjustment (CPPA) to be made 18 months from the closing date in the event that annualized revenue from

INTERMEDIX CORPORATION AND SUBSIDIARIES

(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

ARM's customers was less than \$7.1 million. The CPPA was calculated as the lesser of the (a) purchase price minus \$12.5 million or (b) 1.9 times the difference between \$7.4 million and the actual annualized revenue from ARM clients. In October 2014, the CPPA Calculation Date, ARM did not meet the Annualized Threshold amount by more than \$1.3 million. As permitted by the APA, ARM management agreed to forfeit their shares in the Parent's stock in full repayment of the CPPA. The Company has reflected the forfeiture of these shares as an adjustment to additional paid-in capital in the accompanying consolidated balance sheets as of December 31, 2015 and 2014.

The acquisition of ARM originally resulted in the Company recognizing goodwill in the amount of \$5.3 million. As a result of the loss of a several major customers, the Company's step 1 goodwill impairment testing for both 2015 and 2014, indicated that the carrying value of the goodwill exceeded its fair value. Accordingly, the Company performed step 2 of the impairment test that compared the implied fair value of ARM's goodwill with the book value of the goodwill. Utilizing the services of a third party valuation firm the Company allocated the fair value of the enterprise to ARM's assets other than goodwill. The excess of the residual fair value after this allocation was then assigned as the implied fair value of ARM's goodwill. Since the carrying value of ARM's goodwill exceeded the calculated implied fair value of that goodwill, an impairment loss of \$3.2 million and \$2.3 million was recognized in the accompanying consolidated statements of operations and comprehensive loss for the years ended December 31, 2015 and 2014, respectively.

In addition, ARM's customer losses also triggered an impairment review of ARM's long-lived assets (primarily intangible assets). The recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or group of assets to future net cash flows expected to be generated by the asset or group of assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Since the carrying value of ARM's intangible assets (other than goodwill) exceeded the calculated implied fair value of those intangible assets, an additional impairment loss of \$4.2 million was recognized in the accompanying consolidated statements of operations and comprehensive loss for the year ended December 31, 2015.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(7) Property and Equipment, Net

Property and equipment, at cost and respective estimated useful lives, are classified as follows at December 31, 2015 and 2014 (in thousands):

	<u>2015</u>	<u>2014</u>	
Land	\$ 640	640	
Building	4,672	4,672	27 years
Equipment	20,830	14,061	3 years
Clinical field data systems	8,256	8,222	3 years
Furniture and fixtures	3,026	2,552	5-7 years
Leasehold improvements	6,514	5,162	(a)
Total	<u>43,938</u>	<u>35,309</u>	
Less accumulated depreciation and amortization	<u>(22,477)</u>	<u>(16,658)</u>	
	<u>\$ 21,461</u>	<u>18,651</u>	

(a) The lesser of the lease term or the economic useful life of the improvements.

Depreciation and amortization expense related to property and equipment was \$7.6 million and \$5.7 million for the years ended December 31, 2015 and 2014, respectively.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(8) Intangible Assets, Net

Intangible assets and accumulated amortization at December 31, 2015 and 2014, and the remaining weighted average useful life at December 31, 2015 consisted of the following (dollars in thousands):

	<u>Weighted average useful life (in years)</u>	<u>2015</u>	<u>2014</u>
Customer-related, net of accumulated amortization of \$103,193 and \$83,083 as of December 31, 2015 and 2014, respectively	10	\$ 181,537	206,345
Technology-related, net of accumulated amortization of \$42,014 and \$48,788 as of December 31, 2015 and 2014, respectively	6	37,463	43,380
Marketing-related, net of accumulated amortization of \$6,438 and \$7,171 as of December 31, 2015 and 2014, respectively	11	9,948	11,781
		<u>\$ 228,948</u>	<u>261,506</u>

All intangible assets are subject to amortization and are amortized over their useful lives using the straight line method. Amortization expense related to intangible assets was \$35.7 million and \$34.8 million for 2015 and 2014, respectively. Estimated amortization expense is as follows (in thousands) for the year ending December 31:

2016	\$ 31,892
2017	30,577
2018	27,774
2019	27,312
2020	23,619
Thereafter	87,774
	<u>\$ 228,948</u>

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(9) Long-term Debt

Long-term debt consisted of the following at December 31, 2015 and 2014 (in thousands):

	<u>2015</u>	<u>2014</u>
Revolving credit facility	\$ 58,000	60,000
Senior credit facility – term loans	261,013	267,881
Subordinated loans	<u>112,000</u>	<u>112,000</u>
Total debt	431,013	439,881
Less amounts payable in less than one year	<u>(6,869)</u>	<u>(6,869)</u>
	<u>\$ 424,144</u>	<u>433,012</u>

Except as provided for below, aggregate annual maturities of long-term debt were as follows at December 31, 2015 (in thousands):

Year ending December 31:	
2016	\$ 6,869
2017	6,869
2018	6,869
2019	298,406
2020	<u>112,000</u>
	<u>\$ 431,013</u>

Senior Financing

Overview

At the end of 2013, the Company had an outstanding \$380.0 million Credit Agreement that provided term loans in the amount of \$330.0 million and a revolving credit facility of \$50 million (the Senior Credit Facility) and a \$112.0 million Senior Subordinated Loan Agreement (the Subordinated Loan Agreement), which collectively are herein referred to as the Senior Financing.

On March 7, 2014, the Company amended its Senior Credit Facility to (i) increase the revolving loan commitments from \$50.0 million to \$82.0 million, (ii) provide a more favorable interest rate structure and less restrictive financial ratio covenants, (iii) use the proceeds of Revolving Credit Loans to repay \$47.0 million in outstanding Term Loans and (iv) extended the maturity date of the Senior Credit Facility to December 27, 2019.

Additionally, in August 2015, the Company amended its Senior Credit Facility and Subordinated Loan Agreement to provide less restrictive financial ratio covenants. The financing fees related to both the March 2014 and August 2015 amendments aggregating approximately \$1.4 million, have been capitalized

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

and will be amortized as an adjustment of interest expense over the new term of the amended Senior Credit Facility in accordance with the guidance provided in ASC Topic 470 50.

Senior Credit Facility

The Senior Credit Facility consists of (i) a \$330.0 million term loan facility (the Term Loans) maturing December 27, 2019 of which \$261.0 million and \$267.9 million was outstanding at December 31, 2015 and 2014, respectively, (ii) an \$82.0 million revolving credit facility (the Revolving Credit Facility), which expires December 27, 2019 of which \$58.0 million and \$60.0 million was outstanding at December 31, 2015 and 2014, respectively.

The Senior Credit Facility also provides a swing line loan commitment (the Swing Line Facility), which expires December 27, 2019, under which there were no borrowings outstanding at December 31, 2015 and 2014, and provisions for the issuance of commercial and standby letters of credit (LOCs) on behalf of the Company, none of which were issued or outstanding at December 31, 2015 and 2014. Borrowings under the Swing Line Facility, together with outstanding LOCs, reduce available borrowings under the Revolving Credit Facility, and each are subject to a \$15.0 million sublimit. All borrowings outstanding under the Swing Line Facility or amounts drawn pursuant to LOCs are to be repaid no later than five business days prior to the expiration of the Revolving Credit Facility.

Borrowings under the Senior Credit Facility are secured by substantially all of the assets of the Company and its subsidiaries including all of the Company's outstanding capital stock. The Senior Credit Facility limits the Company's ability to dispose of assets, incur additional indebtedness or contingent obligations, prepay the subordinated debt, engage in mergers or consolidations, suffer additional liens, or engage in certain transactions with affiliates. The Senior Credit Facility contains various customary covenants requiring that the Company comply with certain specified financial ratios and tests.

Interest and Other Fees

Borrowings under the Senior Credit Facility bear interest, at the Company's option, at an applicable fixed margin over the lender's base rate or London Interbank Offered Rate (LIBOR). The interest rate on LIBOR borrowings may be fixed for periods ranging from one to six months or, with the consent of all relevant lenders, nine or twelve months thereafter. LIBORs are set at the greater of the quoted rate or 1.00% (1.25% prior to the March 2014 amendment).

The Company pays an annual administrative fee of \$0.1 million and an unused commitment fee associated with the revolving portion of the facility (see discussion below).

Mandatory and Other Prepayments

The Senior Credit Facility permits prepayments by the Company at any time in whole or in part without premium or penalty. The Company must make mandatory repayments with the occurrence of specified events such as receipt of major casualty proceeds, proceeds from the sale of debt or equity securities, or proceeds from asset dispositions, which are not otherwise reinvested in the business or used for acquisitions or investments as such are permitted in the facility.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Provided below is a detailed discussion of each component of the Senior Credit Facility.

(a) *Revolving Credit Facility*

The Revolving Credit Facility provides for borrowings up to \$82.0 million. Proceeds from the Revolving Credit Facility are used for working capital, capital expenditures, acquisitions, and general corporate purposes. Advances under the Revolving Credit Facility are unrestricted as long as such advances are used in accordance with the definition of “use of proceeds” and the aggregate outstanding balance of the revolving credit loans, swing line loans, and letter of credit obligations do not exceed \$82.0 million. Borrowings under the revolving credit facility (including swing line borrowings) bear interest as discussed above plus a fixed bank margin of 3.0% for LIBOR loans or 2.0% for Base Rate Loans. Prior to the amendment in March 2014, the borrowings under the revolver bore interest, as discussed above, plus a fixed bank margin of 4.5% for LIBOR loans or 3.5% for Base Rate Loans. Interest rates on the Revolving Credit Facility ranged from 4.00% to 5.50% during 2015 and from 4.00% to 5.75% during 2014.

Interest is payable quarterly in arrears for base rate loans including swing line borrowings. Interest on LIBOR loans is payable on the last day of each interest period as determined by the disbursement, conversion, or continuation of such loan and its duration. Interest is due on each quarterly anniversary of LIBOR loans with terms in excess of three months.

An unused commitment fee ranging from 0.50% to 0.75% of the unused portion of the revolving line of the credit facility is due quarterly in arrears. During 2015 and 2014, the Company recognized unused commitment fees at a rate of 0.75%.

LOC fees accrue at the applicable rate for revolving credit loans and are paid quarterly in arrears. In addition, fronting fees (not to exceed 1.0% per annum) and customary administrative and processing fees are assessed with respect to each LOC.

(b) *Term Loans*

Term Loans bear interest, as discussed above, plus a fixed bank margin over the lender’s base rate or LIBOR. Term Loan margins are 3.75% and 4.75% for Base Rate loans and LIBOR loans, respectively. Prior to the March 2014 amendment, the Term Loan margins were 5.00% and 4.00% for LIBOR and base rate borrowings, respectively. Interest rates on the Term Loans ranged from 5.75% to 7.25% during 2015 and 5.75% to 7.00% during 2014.

The repayment terms under the Senior Credit Facility require quarterly principal payments on the Term Loans of approximately \$1.7 million with a balloon payment of approximately \$240.0 million on December 27, 2019. However, at which time that the Gross First Lien Leverage Ratio, as defined in the facility, is less than 4.25 to 1.00, then the quarterly amortization payments will be permanently reduced to \$1.2 million.

INTERMEDIX CORPORATION AND SUBSIDIARIES

(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Subordinated Debt Financing

Overview

As noted above, as part of the Senior Financing arrangement the Company has a \$112.0 million Senior Subordinated Loan Agreement (the Subordinated Loan Agreement) that was amended on March 7, 2014, to provide a more favorable interest rate structure, provide less restrictive financial ratio covenants, and extend the maturity date through June 27, 2020. As of December 31, 2015, the Senior Loan Agreement may be prepaid in whole or in part without penalty. The Subordinated Loans are secured by substantially all of the assets of the Company and its subsidiaries including all of the Company's outstanding capital stock. The Subordinated Loans limit the Company's ability to dispose of assets, incur additional indebtedness or contingent obligations, engage in mergers or consolidations, suffer additional liens, or engage in certain transactions with affiliates. The Subordinated Loans contain various customary covenants requiring that the Company comply with certain specified financial ratios and tests.

Interest and Other Fees

Borrowings under the Subordinated Loans bear interest, at the Company's option, at an applicable fixed margin over the lender's base rate or LIBOR. The interest rate on LIBOR borrowings may be fixed for periods ranging from one to six months or, with the consent of all relevant lenders, nine or twelve months thereafter. LIBORs are set at the greater of the quoted rate or 1.00% (1.25% prior to the March 2014 amendment).

Subordinated Loans bear interest, as discussed above, plus a fixed bank margin of 8.25% and 7.25% for Base Rate Loans and LIBOR Loans, respectively. Prior to the March 2014 amendment the bank margin was 9.00% and 8.00% for LIBOR and base rate borrowings, respectively. The interest rate on the Subordinated Loans was 9.25% during both 2015 and 2014.

The Company pays an annual administrative fee of \$0.1 million.

Mandatory and Other Prepayments

The Company must make mandatory repayments with the occurrence of specified events such as receipt of major casualty proceeds, proceeds from the sale of debt or equity securities or proceeds from asset dispositions, which are not otherwise reinvested in the business or used for acquisitions or investments as such are permitted in the Facility.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(10) Income Taxes

Income tax benefit for the years ended December 31, 2015 and 2014 was as follows (in thousands):

	<u>2015</u>	<u>2014</u>
Current tax expense:		
Federal	\$ 102	—
State	553	—
Foreign	192	842
	<u>847</u>	<u>842</u>
Deferred tax benefit:		
Federal	(11,177)	(5,456)
State	(1,429)	(489)
Foreign	(310)	(419)
	<u>(12,916)</u>	<u>(6,364)</u>
Income tax benefit	\$ <u>(12,069)</u>	<u>(5,522)</u>

A reconciliation of the benefit from income taxes to the expected amount based on the federal statutory rate of 35% for both 2015 and 2014 is as follows (in thousands):

	<u>2015</u>	<u>2014</u>
Expected federal income tax	\$ (11,466)	(5,096)
State taxes, net of federal benefit	(582)	265
Nondeductible items	32	(729)
Rate change on deferred taxes	(17)	120
Foreign rate differential	(97)	169
Other, net	61	(251)
	<u>\$ (12,069)</u>	<u>(5,522)</u>

INTERMEDIX CORPORATION AND SUBSIDIARIES

(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2015 and 2014 are presented below (in thousands):

	<u>2015</u>	<u>2014</u>
Deferred tax assets:		
Equity-based compensation	\$ 7,103	5,423
Allowance for doubtful accounts	422	368
Accrued bonus	518	453
Accrued vacation	1,066	835
Deferred revenue	320	364
Acquisition costs		4,248
Net operating loss carryforwards	17,721	12,200
Federal tax credits	1,055	1,024
Other	766	542
Gross deferred income tax assets	<u>28,971</u>	<u>25,457</u>
Deferred tax liabilities:		
Intangible and other long-lived assets	57,272	69,896
Goodwill	21,774	18,149
Other	494	721
Gross deferred income tax liabilities	<u>79,540</u>	<u>88,766</u>
Less valuation allowance	<u>(101)</u>	<u>(595)</u>
Net deferred income tax liabilities	<u>\$ (50,670)</u>	<u>(63,904)</u>
	<u>2015</u>	<u>2014</u>
Consolidated balance sheet presentation:		
Current deferred income tax assets, net	\$ —	2,192
Noncurrent deferred income tax assets, net	—	419
Noncurrent deferred income tax liabilities, net	<u>(50,670)</u>	<u>(66,515)</u>
Net deferred income tax liabilities	<u>\$ (50,670)</u>	<u>(63,904)</u>

The Company has recorded a deferred tax asset of \$17.7 million reflecting the benefit of federal and state net operating loss carryforwards. Such deferred tax assets expire at various dates from 2023 through 2035. The Company recognizes valuation allowances on deferred tax assets reported if, based on the weight of evidence, management believes that it is more likely than not that some or all of the deferred tax assets will not be realized. The valuation allowance is based on the Company's estimates of taxable income and the period over which deferred tax assets will be recovered. A valuation allowance of \$0.1 million and \$0.6 million was recorded at December 31, 2015 and 2014, respectively. The valuation allowance established in 2014 related to certain net operating losses acquired in the Optima acquisition. Management believes remaining deferred tax assets will be recognized due to the reversal of significant taxable temporary differences.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Due to the change of ownership provisions of the Tax Reform Act of 1986, utilization of a portion of the Company's domestic net operating loss and tax credit carryforwards may be limited in future periods. The Company does not expect the carryforwards to expire before being applied to reduce future income tax liabilities.

With few exceptions, as of December 31, 2015, the Company is no longer subject to U.S. federal, state, local, or foreign examinations by tax authorities for years before 2011. There was no liability for unrecognized tax benefits as of December 31, 2015 and 2014. The Company recognizes interest accrued related to unrecognized tax benefits and penalties as interest expense in the accompanying consolidated statements of operations and comprehensive loss.

(11) Fair Value of Assets and Liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation approaches, including quoted market prices and discounted cash flows. A hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable input be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs are inputs that reflect a company's judgment concerning the assumptions that market participants would use in pricing the asset or liability developed based on the best information available under the circumstances.

The fair value hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1 – Valuations based on quoted prices in active markets for identical instruments that the Company is able to access. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these products does not entail a significant degree of judgment.
- Level 2 – Valuations based on quoted prices in active markets for instruments that are similar, or quoted prices in markets that are not active for identical or similar instruments, and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Fair Value of Financial Assets

The Company does not have any financial assets or liabilities that are required to be measured at fair value on a recurring basis.

The carrying amount of accounts receivable, notes receivable, accounts payable and accrued expenses, client collections payable, other current liabilities, and accrued interest approximate fair value based on the short maturity of these accounts.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

At December 31, 2015 and 2014, the carrying value of the Senior Credit Facility and Subordinated loans approximated fair market values because the interest rates are variable in nature and in management's assessment, there has been no significant change in the Company's credit rating.

(12) Transactions with Related Parties

Advisory and Professional Services Fees Paid to Related Parties

The Company has an Advisory Services Agreement (the ASA) dated August 23, 2010, with THL Managers VI, LLC, a Delaware limited liability company (Sponsor) who is an affiliate of the Company's majority equity holders. Pursuant to the terms of the ASA, the Sponsor agrees to provide the Company certain management consulting, financial, and other advisory services as requested from time to time by the Board of Directors (BOD) or other governing body of the Company, as applicable, and agreed to by the Sponsor.

The ASA also provides for a Periodic Retainer Fee (the Periodic Fee) in an amount per year equal to the greater of (i) \$0.8 million or (ii) 1.5% of consolidated Earnings Before Income Taxes, Depreciation and Amortization (EBITDA) (as defined in the ASA) for the immediately preceding fiscal year or such other amount or formula as may be mutually agreed between the Company and the Sponsor. Fees are payable in equal quarterly installments in advance on the first day of each fiscal quarter. The Company paid \$1.1 million in both 2015 and 2014, pursuant to the Periodic Fee. The Periodic Fee payable in respect of the first fiscal quarter of any fiscal year shall be \$0.2 million, with the Periodic Fee payable in succeeding quarters to be adjusted to include any incremental amount deemed payable in connection with the consolidated EBITDA performance measurement. In the event of an initial public offering or change of control event, the Company shall pay an amount equal to the net present value (using a discount rate equal to the then yield on U.S. Treasury securities of like maturity) of the Periodic Fees that would have been payable to Sponsor with respect to the period from the date of such transaction until the scheduled date of termination of the APA (the tenth anniversary of the Merger).

In addition, upon the consummation of any acquisitions, divestitures, financings, refinancings, mergers, recapitalizations, change of control events, or other transactions by the Company, Sponsor is entitled to a fee equal to up to 1% of the aggregate gross value of such transaction (plus reimbursement of expenses).

Furthermore, the Company agrees to indemnify the Sponsor and its affiliates against any and all actions including, and without limitation, all professional fees and expenses.

(13) Benefit Plan

The Company provides a 401(k) plan for the benefit of eligible employees as defined by the plan. The 401(k) plan does not require a Company match. Any employer match is at the discretion of the Company. During 2015 and 2014, the Company agreed to match 25% of participating employees' first 6% of compensation amounting to approximately \$0.7 million and \$0.5 million, respectively. At December 31, 2015 and 2014, this amount was accrued and included in "Accrued payroll and related benefits" in the accompanying consolidated balance sheets. The 2015 and 2014 accruals were paid in March of the subsequent years.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(14) Commitments and Contingencies

(a) Litigation

The Company is from time to time involved in litigation arising in the ordinary course of business. It is the opinion of management, after consulting with its legal counsel, that the outcome of such cases will not have a material adverse impact on the consolidated financial position or results of operations of the Company.

(b) Lease Commitments

The Company leases office equipment and conducts its operations from leased office space located in Oklahoma City, Oklahoma; Jacksonville, Fort Lauderdale, and Miami, Florida; Pleasanton, and Artesia, California; Denver, Colorado; Houston, Dallas and San Antonio, Texas; Mechanicsburg and Pittsburgh, Pennsylvania; Milwaukee, Wisconsin; Columbus, Ohio; Augusta, Georgia; Raleigh, North Carolina; Williamsburg and Arlington, Virginia; Nashville, Tennessee; Bayside, New York, and Warren, Michigan. The leases expire on various dates through December 2020 and thereafter. Under the terms of most of the leases, the Company is required to pay all taxes, insurance, and maintenance.

Future minimum rental payments for noncancelable leases having an initial lease term in excess of one year at December 31, 2015 are summarized as follows (in thousands):

		<u>Operating leases</u>
Years ending December 31:		
2016	\$	5,218
2017		4,558
2018		4,180
2019		3,514
2020		3,266
Thereafter		<u>12,393</u>
Total minimum payments	\$	<u><u>33,129</u></u>

Many of the operating leases provide for renewal at varying escalations. Fixed rent escalations have been included in the table disclosed above.

Rent expense incurred under operating leases totaled \$6.6 million and \$6.3 million for the years ended December 31, 2015 and 2014, respectively.

The Company has been granted lease incentives such as rent abatement periods and leasehold allowances under certain of its leases. The accompanying consolidated statements of operations and comprehensive loss reflect rent expense on a straight-line basis over the term of the respective leases. An obligation of \$2.1 million and \$1.8 million representing the remaining unamortized lease

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

incentives is included in other long-term liabilities in the accompanying consolidated balance sheets at December 31, 2015 and 2014, respectively.

The Company had capital lease obligations totaling \$1.9 million and \$0 as of December 31, 2015 and 2014. The current portion of the capital lease obligation as of December 31, 2015 totaled approximately \$0.9 million and is included in other current liabilities in the accompanying consolidated balance sheet.

(15) Stock Based Incentive Compensation

Intermedix Corporation 2010 Stock Option Plan (the 2010 Stock Option Plan)

As noted in note 2(o), the Company participates in a stock option plan of the Parent. Pursuant to the terms of the 2010 Stock Option Plan, the Parent is authorized to issue options to acquire up to 501,352 shares of common stock of the Parent to employees and service providers of the Company. Certain members of the Company's management and professional staff were issued 10-year options to purchase shares of common stock of the Parent. All stock options granted under the 2010 Stock Option Plan were granted with an exercise price at least equal to the underlying stock's fair value at the date of grant. The options vest at a rate of 20% per year over a 5-year term.

Any unexercised portion of the options will automatically terminate upon the tenth anniversary of the issuance date or following termination of employment. In addition, pursuant to the grant agreements under which such stock options were issued, the board of directors has the right to cause all or any portion of any nonvested options to immediately vest and become exercisable upon a sale of the Company or at such other time as the board of directors may elect.

Stock-based compensation expense is shown as an individual line on the accompanying consolidated statements of operations and comprehensive loss. As of December 31, 2015 and 2014, respectively, \$10.1 million and \$7.3 million of total unrecognized compensation expense related to nonvested option awards is expected to be recognized over a weighted average period of 2.3 and 1.4 years. The Company accounts for its equity-based awards using ASC Topic 718. This statement requires entities to measure compensation expense for all equity-based awards granted, modified, or settled using the fair value measurement method and to recognize the costs in income over the requisite service period, which is generally the vesting period. The Company has elected to recognize these costs on a straight-line basis.

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

The fair value of each stock option award is estimated on the date of grant using BSM option pricing model. The weighted average grant-date value of each option grant awarded during the years ended 2015 and 2014 was as follows:

	2015	2014
Weighted average grant-date value of options granted	\$ 115.00	106.17
Assumptions:		
Risk-free rate of return	1.63–1.84%	1.82–1.96%
Expected life in years	6.50	6.50
Expected volatility	48.8%	46.6%
Expected dividend yield	—	—

The risk-free rate of return is determined based on a yield curve of U.S. Treasury rates ranging from five to seven years, which is the period commensurate with the expected life of options granted. Expected life in years is calculated using the simplified method, as permitted under ASC Topic 718, given the Parent's lack of historical experience with respect to the lives of options granted and postvesting termination patterns. Since the Parent has no historical basis for determining its own volatility, the expected volatility is established based on a peer group comprising companies similar to that of the Parent. The expected dividend yield is zero as the Parent has not paid any cash dividends and does not anticipate it will do so in the foreseeable future.

A summary of stock option activity under the 2010 Stock Option Plan during the years ended 2015 and 2014 is as follows (in thousands, except for exercise price and term):

	Number of options	Weighted average exercise price	Weighted average remaining contractual term (years)	Aggregate calculated intrinsic value
Outstanding at December 31, 2013	489	\$ 100.09	3.68	\$ 18,778
Granted during 2014	26	106.17	6.29	1,399
Exercised	(1)	68.72	2	(14)
Canceled or forfeited	(22)	103.35	3.78	(959)
Outstanding at December 31, 2014	492	116.27	2.82	19,204
Granted during 2015	154	155.32	5.79	7,636
Exercised	—	—	—	—
Canceled or forfeited	(29)	113.27	2.43	(1,140)
Outstanding at December 31, 2015	617	126.15	2.97	\$ 25,700

INTERMEDIX CORPORATION AND SUBSIDIARIES
(a wholly owned subsidiary of Intermedix Holdings Inc.)

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(16) Subsequent Events

The Company has reviewed and evaluated subsequent events from the balance sheet date of December 31, 2015 through April 29, 2016.

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