

SETTLEMENT AGREEMENT

By and Between

AMERICAN MEDICAL RESPONSE NORTHWEST, INC. AND MULTNOMAH COUNTY

This Settlement Agreement is entered into by American Medical Response Northwest, Inc. (“AMR”) and Multnomah County (“County”). AMR and County agree with all statements contained herein.

A. Background

1. AMR and County executed Contract No. 5600002522, which commenced on September 1, 2018. The Parties subsequently extended Contract No. 5600002522 for a five-year term commencing on August 31, 2023 and terminating on August 31, 2028 (collectively, “underlying Contract”).
2. County has alleged that, since April 2022, AMR has materially breached the underlying Contract by failing to comply with response time metrics and, correspondingly, has incurred contract penalties each month since April 2022. AMR contends it is not in breach. AMR also disagrees with the imposition and calculation of penalties.
3. AMR and County agreed to attend mediation with the Hon. Eric J. Bloch on March 15, 2024; April 18, 2024; and May 31, 2024. The purpose of mediation was to assess staffing models, determine prospective solutions to increase the number of available and deployable ambulances, improve response times, and negotiate the contract penalties AMR has incurred pertaining to response times.
4. During mediation, a team of experts met and conferred about the aforementioned issues. That team included AMR’s Chief Medical Officer, Dr. Ed Racht; AMR’s Vice President of Western States, Randy Lyman; AMR’s Vice President of Operations, Randy Lauer; AMR’s Operations Manager, Rob McDonald; AMR’s Sr. Regional Director, Paul Priest; AMR’s Vice President of Operations, Jared Sherman; Multnomah County’s Supervising Physician, Jon Jui, MD; Health Officer, Richard Bruno, MD; Deputy Health Officer, Paul Lewis, MD; EMS Administrator, Aaron Monnig; and Health Department Director, Rachael Banks, MPA. The Parties now find sufficient clinical, operational, and economic justification to make staffing changes for ambulances as expressly stated herein. Namely, the Parties agree to pilot and study temporary staffing models pertaining to BLS ambulances and Hybrid ALS ambulances.
5. County has agreed to provide AMR additional time, until November 1, 2024, to achieve strict compliance with the new staffing models referenced herein.
6. AMR and County agree to the following.

B. Staffing

1. Basic Life Support (BLS) Ambulances

- a. AMR shall ensure that BLS ambulances are staffed with 2 emergency medical technicians (EMTs).
- b. AMR shall ensure that BLS ambulances respond to at least 85% of calls per day that the EMS Supervising Physician (currently, Jon Jui, MD) deems eligible and appropriate for a BLS ambulance. The BLS ambulances shall be dispatched in accordance with the currently existing low-acuity queue practices.
- c. All BLS ambulances shall comply with the time standards for non-immediate 911 requests, as stated in the underlying Contract, pp. 19-20, ¶ K.5.c. and Table 2.

2. Dual Paramedic Advanced Life Support (ALS) Ambulances

- a. AMR shall deploy a minimum of 20 units per day (240 unit hours per day) of ALS ambulances.
- b. All ALS ambulances shall be staffed with a minimum of 2 paramedics. Accordingly, for purposes of this Settlement Agreement, an ALS ambulance shall be defined as an ambulance with a minimum of 2 paramedics.

3. Hybrid ALS Ambulances

- a. AMR shall deploy an adequate number of Hybrid ALS ambulances to meet the response time requirements contained in the underlying Contract.
- b. All Hybrid ALS ambulances shall be staffed with a minimum of 1 paramedic and 1 EMT.

4. AMR shall ensure that all BLS, ALS, and Hybrid ALS ambulances are dispatched per the instructions, orders, call types and codes provided by the County's EMS Supervising Physician. The closest appropriate ambulance shall be sent to all calls.

5. To the extent AMR strictly complies with the aforementioned minimum requirements for BLS ambulances (at least 85% of eligible calls per day) and ALS ambulances (20 units per day), then County will waive enforcement of any fines accrued pursuant to administrative rule EMS-020 (Vehicle operating with incorrect staffing) due to non-compliance with EMS-105 (Ambulance Staffing).

6. For the purposes of this Settlement Agreement, including ¶¶ B.1 and B.2., *supra*, and ¶ C.2., *infra*, the "per day" figures shall be determined by calculating the daily averages over the course of each month.

7. Subcontracting

- a. AMR shall immediately pursue subcontracting opportunities with Oregon and Multnomah County licensed ambulance providers, or with appropriate staffing agencies, to ensure sufficient personnel for BLS, ALS, and Hybrid ALS ambulances.
- b. AMR shall provide all subcontracts to the County for review and written approval prior to execution or commencement.

8. Minimum Shift Requirements. AMR employees' monthly minimum shift requirements (36 hours) shall be met by staffing ambulances referenced in this ¶ B only and not, for example, by staffing shifts on standby ambulances, for entertainment or sporting events, or for any other happenings or events in Multnomah County.

C. Contract Penalties Pertaining to Response Times.

1. For all contract penalties pertaining to response times that have already accrued, or may accrue prior to November 1, 2024, County agrees to stay or abate enforcement of such contract penalties during the pendency of this Settlement Agreement, but only if AMR complies with all terms of this Settlement Agreement. Waiver of penalties shall be in accordance and limited by ¶ C.2.
2. Notwithstanding ¶ C.1., County agrees to the following incentives and waivers of contract penalties pertaining to response times.
 - a. County agrees to waive up to, but not to exceed, 60% of contract penalties incurred by AMR prior to November 1, 2024 as follows. Starting on November 1, 2024, for each month AMR meets all response time metrics contained in the underlying Contract, and complies with all staffing requirements in ¶ B, County agrees to waive 1/9th of 60% of the total contract penalties incurred prior to November 1, 2024.
 - b. County agrees to waive up to, but not to exceed, 40% of contract penalties incurred by AMR prior to November 1, 2024 as follows.
 - i. Starting on November 1, 2024, for each month AMR meets all response time metrics contained in the underlying Contract, complies with all staffing requirements in ¶ B, and its average ALS deployments exceed the 20 units per day required by ¶ B.2., AMR shall receive a credit of \$2,000 per day per additional ALS unit it deploys. For example, if AMR averages 21 units/day (i.e. one additional unit/day) of ALS ambulances for the month of July 2025, and otherwise meets response time and staffing requirements, the formula for calculating this incentive would be \$2,000/day x 31 days in July = \$62,000 of total waivers for that month of July 2025.

- ii. Subject to the reasonable discretion and written approval of the EMS Administrator (currently, Aaron Monnig), and upon receiving adequate documentation from AMR, County also agrees to waive contract penalties with certain costs associated with implementation of this Settlement Agreement, including shift bonuses, stipends, subcontracting, scholarships, and recruiting and retention.
 - c. Starting on November 1, 2024, for each month AMR meets all response time metrics contained in the underlying Contract, and complies with all staffing requirements in ¶ B, the County shall waive all outlier penalties in Section N. and Table 4 of the Contract during each month of this Settlement Agreement.
3. As of July 1, 2024, County believes that the total penalties pertaining to violations of response times are \$7,120,450. For purposes of clarifying ¶ C.2.a., the total potential waiver at issue is \$4,272,270, plus 60% of additional penalties for violations of response times between July 1, 2024 and November 1, 2024. For purposes of clarifying ¶ C.2.b(i)-(ii), the total potential waiver at issue is \$2,848,180, plus 40% of additional penalties for violations of response times between July 1, 2024 and November 1, 2024.
4. The parties have preserved, and are not otherwise waiving, any rights to assess or collect, or to challenge or to defend against, any past, present, or future contract penalties that have already accrued, or will accrue, irrespective of whether County has already assessed those penalties or not. County only agrees to waive fines pertaining to response times as expressly stated in this ¶ C. This Settlement is made without any admission of liability or fault by either party.

D. Standby Ambulances. For 1-year after commencement of this Settlement Agreement, AMR shall not enter into any new contracts with new customers to provide standby ambulance deployments in Multnomah County.

E. Priority. To the extent reasonably possible, all terms in this Settlement Agreement shall be interpreted consistently with the underlying Contract, and the underlying Contract terms are incorporated as if fully set forth herein. If an unavoidable conflict or discrepancy arises between this Settlement Agreement and the underlying Contract, then this Settlement Agreement shall control.

The Parties believe that the only unavoidable conflicts or discrepancies should pertain to the 2 paramedic staffing requirement in the underlying Contract as now modified by: (1) the creation of BLS ambulances referenced in this Settlement Agreement, ¶ B.1., *supra*, and (2) the creation of Hybrid ALS ambulances referenced in this Settlement Agreement, ¶ B.3., *supra*.

F. Indemnity. Without waiving or modifying the indemnity provision in the underlying Contract, ¶ 12, p. 5/56, AMR further agrees to save, hold harmless, and indemnify County for any and all damages, settlements, or claims brought by any third-party pertaining to this Settlement Agreement.

- G. Arbitration.** This Settlement Agreement shall be subject to the same arbitration procedure and remedies as provided for in the underlying Contract, ¶ 8, p. 5/56.
- H. Reporting.** County may produce de-identified and aggregated monthly reports or summaries to the public about AMR’s compliance with response times and other contract metrics.
- I. Early Termination.** All terms contained in this Settlement Agreement shall be considered material terms and subject to the material breach and early termination provisions, as provided for in the underlying Contract, ¶¶ 6A-7, pp. 3-5/56. If there is a breach of this Settlement Agreement, the Parties agree that this Settlement Agreement may be terminated independently from the underlying Contract. All duties and terms contained in ¶¶ C, E, F, G, and H shall survive any termination of this Settlement Agreement.
- J. Term.** All provisions in this Settlement Agreement shall commence upon adoption of the temporary staffing changes contained herein by the Board of County Commissioners, and shall expire no earlier than July 31, 2025 and only upon ninety (90) days prior written notice by a party. On or before February 15, 2025, the Parties agree to meet and review the progress toward contract compliance, with the intention of proposing an extension, modification, or termination of this Settlement Agreement.

By signing below, the Parties agree and assent to all statements and duties contained herein.

<p>ON BEHALF OF COUNTY</p> <p>DocuSigned by: <i>Jessica Vega Pederson</i> Signature: _____ E713985D214A47C</p> <p>Name: Jessica Vega Pederson</p> <p>Title: Multnomah County Chair</p> <p>Dated: 7/31/2024</p>	<p>ON BEHALF OF AMR</p> <p>DocuSigned by: <i>Sean Russell</i> Signature: _____ EEE85C1C1EB9400</p> <p>Name: Sean Russell</p> <p>Title: President</p> <p>Dated: 7/31/2024</p>
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