

AMERICARE HOME HEALTH, INC.

PROFESSIONAL SERVICES AGREEMENT

I. This agreement for Home Health Services (the "Agreement") made this, ___/___/___ between AMERICARE HOME HEALTH, INC. a California-licensed company herein after referred to as "Agency", and _____, hereinafter referred to as "Contractor".

- 1.1 Whereas the Contractor is a company engaged in the business of providing Occupation Therapy Services (referred to hereinafter as "Home Health Staff"), who meet all professional qualifications required for those specialties by their respective professional licensing and certifying bodies and by Title 22, California Code of Regulations, Division 5, Chapter 6, Article 1, including any amendments to these regulations during the term of this agreement.
- 1.2 Whereas the Agency owns and operates a licensed home health agency and has its principal place of business at 16501 SHERMAN WAY SUITE 225, VAN NUYS, CA 91406-3527
- 1.3 Whereas patients of the Agency receive the home health services of the Agency pursuant to a plan of treatment prescribed by each patient's attending physician ("Physician's Medical Treatment Plan"), which is carried out by the attending physician and appropriate nursing staff.
- 1.4 Whereas the Agency desires to purchase from the Contractor on a non-exclusive basis Skilled Nursing Services (SN) of its Home Health Staff for home health patients of the Agency within its area ("Contract Services").

Therefore, the parties herein desire to enter into the following Agreement, which shall constitute a full and complete statement of duties and responsibilities of both parties.

II. DUTIES OF THE PARTIES

- 2.1 The Contractor shall provide a Home Health Staff to the Agency in such specialties and during such periods of time as are requested by the Agency in its sole discretion.
- 2.2 The Contractor warrants and agrees that all Home Health Staff are provided to the Agency hereunder shall be qualified by training and experience to perform the applicable Contract Services which they will provide to patients of the Agency, and that at all times during the term of this Agreement, the Contractor's Home Health Staff shall be and remain duly licensed, registered or certified and qualified to practice their applicable profession in the State of California.
- 2.3 Upon request of the Agency, the Contracted Home Health Staff shall participate in patient admission process, patient assessment, the development of the Physician's Medical Treatment Plan for patients under the care of such Home Health Staff, providing documentation, Plan of Treatment Form, 485's and 485 re-certifications, patient care conferences, the scheduling of visits, discharge planning, and review of the Agency's staff documentation.

- 2.4 The Home Health Staff shall at all time provide Contract services in full compliance with the Physician's Medical Treatment Plan and scheduling requirements.
- 2.5 The Agency shall make available to the Home Health Staff all available Agency records and information necessary to the rendering of Contract Services herein under.
- 2.6 The Contractor warrants and agrees that the Contract Service Staff shall participate as needed in the Agency's utilization review procedures.
- 2.7 The Agency shall provide orientation and in-service training sessions and shall at all time conform to all of the Agency's policies and procedures.
- 2.8 All Contract Services Staff shall participate in the Agency's orientation and in--service training sessions and shall at all times conform to the Agency's policies and procedures.
- 2.9 The Agency shall assure that all orders for the home Health Staff shall be outlined in the Physician's Medical Treatment Plan and shall include the specific procedures and modalities to be used and the amount, frequency and duration required.
- 2.10 Contract Service Staff shall be provided pursuant to this Agreement only within the geographical boundaries served by the Agency.
- 2.11 The Contract Service Staff shall advise, consult with, and when appropriate, instruct, families and Agency personnel regarding the nursing program, as applicable, of patients under the care of the Home Health Staff.
- 2.12 The Contractor and Home Health Staff shall at all times comply with all local, state and federal laws that affect reimbursement to the Agency, and shall not do anything that will adversely affect reimbursement programs.
- 2.13 The Contractor shall adhere to applicable agency policies, including personnel qualifications.

III. AGENCY'S AUTHORITY

- 3.1 The Agency shall have the right to approve in advance all Home Health Staff providing services to Agency patients pursuant to this Agreement.
- 3.2 The Agency, as the licensed provider for home health services, shall at all times have overall responsibility for the quality of care provided to Agency patients. During such time as Home Health Staff are providing services to Agency patients pursuant to this Agreement, the Agency shall have ultimate authority and control over the Schedule of Services provided by Home Health Staff to Agency patients.
- 3.3 All Home Health Staff providing Contract Services hereunder shall be subject to the administrative authority and control of the Agency and its designees, and shall fully comply with all administrative policies and procedures of the Agency. The Agency shall evaluate the performance of the Home Health Staff in accordance with the

Agency's policies and procedures for evaluation of personnel, and may at any time, in its sole discretion, require the Contractor to replace the Home Health Staff assigned to the Agency with other Contractor Staff.

IV. RELATIONSHIP OF THE PARTIES

- 4.1 In the performance of this Agreement, it is mutually understood and agreed that the Contractor is at all times acting and performing as an independent contractor. The Agency shall neither have the right to nor exercise any control or discretion over the means and methods by which the Home Health Staff shall perform Contract Services, including the exercise by the Home Health Staff of their professional judgment. The sole interest and responsibility of the Agency is to ensure that the Contract Services shall be performed in accordance with applicable law, recognized standards of professional practice, the terms of this Agreement, and the Agency's administrative policies and procedures.
- 4.2 The Contractor shall have the right to provide Home Health Staff to perform Contract Services for individuals or entities other than the Agency, so long as it does not interfere with the Contractor's performance of the obligations assumed under this Agreement.
- 4.3 The parties understand that since the Contractor is an independent contractor, the Home Health Staff are not employees of the Agency and shall not have the right to participate in any benefit sponsored by the Agency on behalf of its employees, including but not limited to worker's compensation insurance. Moreover, the Agency shall not be responsible for withholding any state or federal income and payroll taxes on behalf of the Home Health Staff.
- 4.4 The Contractor understands that Contractor has been selected by the Agency in part in reliance upon warranties set forth in this Agreement and that such warranties and representations are required by state and federal law and by the standards and rules of the Agency applicable to services arranged by contract. Breach of those warranties and representations by the Contractor shall be grounds for immediate termination of this Agreement.
- 4.5 For the purpose of implementing Section 1861 (V) (I) (I) of the Social Security Act, as amended, and any written regulations hereto, the Contractor agrees to comply with the following statutory requirements governing the maintenance of documentation to verify the cost of services rendered under this Agreement.
 - 4.51 Until the expiration of four (4) years after the furnishing of such services pursuant to this Agreement, the Contractor shall make available, upon request of the Controller General, or any other duly authorized representatives, the Agreement, books, documents and records of the Contractor that are necessary to certify the nature and extent of services provided hereunder, and
 - 4.52 If the Contractor carries out any of the duties of this Agreement through a subcontract, with a value of \$10,000 or more over a twelve-month period, with a related organization (as that term is defined in regard to a provider in 42 C.F.R. 405.427 B), such subcontract shall contain a clause to the effect that until expiration of four years after the furnishing of such services pursuant to the subcontract, the related organization shall make available, upon written request of the Secretary, or upon request of the Controller General, or any of their duly authorized representatives, the subcontract and books, documents and records of

such organization that are necessary to verify the nature and extent of services provided.

4.52a If the Contractor is requested to disclose books, documents or records pursuant to this provision for purpose of an audit, Contractor shall notify the Agency of the nature and scope of such request and shall make available, upon written request of the Agency, all such books, documents and records.

4.52b This provision pertains solely to the maintenance and disclosure of specified records and shall have no effect on the right of the parties to this Agreement to make assignments or delegations.

4.6 The Agency shall not reimburse the Home Health Staff for travel expenses, nor shall the Agency be liable for any claims of liability arising from the operation of any motorized vehicle by the Home Health Staff performing services hereunder, and shall not provide any liability coverage for the operation of motorized vehicle.

4.7 This Agreement shall be binding on heir, executors, administrators, successors and assigns of the respective parties.

V. SCOPE AND LIMITATIONS OF SERVICES AND ACCEPTANCE OF PATIENTS

5.1 The Home Health Staff shall provide Contract Services in full compliance with all statutes, administrative regulations and policies of the federal government and the State of California, including but not limited to, the specific descriptions of the Contract Services to be performed, set forth in the applicable section of Title 22, California Code of Regulations, Division 5, Chapter 5, Article 3, and any amendments to that Article occurring in the term of this Agreement, and in accordance with current approved methods and practices of all applicable, authorized professional organizations and bodies.

5.2 The scope, amount, frequency, nature or limitation of services required to be provided to a patient pursuant to the Physician's Plan of Treatment shall not be altered by the Home Health Staff without prior approval of the Agency or its designee.

5.3 Only the Agency may accept patients for care by the Agency.

VI. MALPRACTICE INSURANCE

6.1 The Contractor shall assure, at its sole expense, that the Home Health Staff provided hereunder shall have professional liability insurance coverage for the Contract Services provided hereunder. **Such coverage shall be in amounts not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) in aggregate for claims arising out of the performance of Contract Services under this Agreement.**

VII. CLINICAL RECORDS

7.1 The Contractor shall assure that all Home Health Staff providing service hereunder shall prepare and submit to the Agency within reasonable time of providing Contract Services hereunder, but not later than **seven (7) days** after such services are rendered, complete and accurate clinical records and progress notes in accordance with the

policies and procedures of the Agency ("Clinical Records"). Such Clinical Records shall document, at a minimum, the date and duration of services provided, the patients for whom services were provided, and the specific nature of services provided. (See Attached).

- 7.2 All Clinical Records shall be adequate to meet all requirements of any third party payer responsible for payment of Contract Services on behalf of the patient, including but not limited to the Medicare Program and the Medi-Cal Program.
- 7.3 The Agency shall not be required to compensate the Contractor for services rendered hereunder unless Clinical Records, documenting such services acceptable to the Agency, have been completed and submitted to the Agency.

VIII. PAYMENT AND BILLING

- 8.1 As Compensation for the Contract Services actually rendered by the Home Health Staff, hereunder and upon timely completion of Clinical Records as described in Section 7, herein, Agency shall compensate Contractor on a per visit basis at:

RN SOC/ROC	\$ _____
RN D/C	\$ _____
RN RECERT	\$ _____
RN VISITS	\$ _____

- 8.2 Billing and payment shall be in compliance with the Agency procedures attached as Exhibit A to this Agreement and incorporated by reference herein.
- 8.3 All charges to patient shall be determined by the Agency, and neither Contractor nor Home Health Staff shall at any time discuss charges with Agency patients or patient's families.
- 8.4 The Contractor agrees to accept compensation described in Section 8.1 herein as full and complete payment for services rendered by Home Health Staff under this Agreement. Only the Agency may bill Agency's patients, or third parties who may be responsible for payment of Agency's fees or charges for services rendered to the Agency's patients. Under no circumstances shall the Contractor or Home Health Staff bill or collect from Agency patients or third party payers for services rendered hereunder.
- 8.5 The Contractor may change the rate structure quoted in Section 3.1 after thirty (30) days written notification of such has been submitted to the Agency, unless Agency objects to such change within said thirty (30) day period. This notification shall be governed by notice procedures outlined in Section 10.1 herein.

IX. TERM AND TERMINATION

- 9.1 This Agreement shall be effective this ___/___/_____ and shall remain in full force for one (1) year, and shall automatically be renewed on each subsequent year, unless terminated as provided below.
- 9.2 Either party may terminate this Agreement for cause with such termination to be effective upon thirty (30) days prior written notice to the other party.
- 9.3 Either party may terminate this Agreement for cause upon giving the other party written notice of such termination. Unless otherwise in the notice, such termination shall be effective immediately upon receipt of notice of termination.
- 9.4 It is understood that any unsatisfied obligation arising from this Agreement prior to termination shall survive termination until satisfied.

X. NOTICE

- 10.1 Every notice, demand, request, consent, approval or other communication, (herein without discretion sometimes referred to as "Notices"), which any of the parties hereto are respectively required or desire to give or make a communication upon or to the other shall be in writing and shall be given or made or communicated by personally delivering same or by mailing the same by registered or certified mail, first class postage and fee prepaid, return receipt requested as follows:

Agency:

AMERICARE HOME HEALTH, INC.
16501 SHERMAN WAY, SUITE 225, VAN NUYS, CA 91406-3527
Tel: (8188810005 Fax: (818)8810006

Contractor:

or at such other address or addresses as any party hereto designate from time to time and at any time by notice given as herein provided. All notices so sent shall be deemed to have been delivered or deposited, registered or certified, properly addressed, as aforesaid, postage and fees prepaid, return receipt requested, in the United States mail.

XI. GENERAL TERMS INTERPRETATION

- 11.1 This Agreement supersedes any and all other prior or contemporaneous Agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof, and no other Agreement, stated or promised relating to the subject matter of this Agreement is valid or binding.

- 11.2 This Agreement can be amended only by a written agreement executed by the parties in interest at the time of the modification, except as provided in Section 8.6 herein. No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provisions herein shall not be deemed waiver of any other breach of the same or other provision hereof.
- 11.3 Time is expressly declared to be of the essence of this Agreement and of every provision hereof in which time is an element.
- 11.4 In the event that any condition herein contained is held to be invalid or void by any court of competent jurisdiction, the same shall be deemed severable from the rest of this Agreement and shall in no way affect any other condition herein contained. If such condition or other provision shall be deemed invalid due to its scope or breadth; such provision shall be deemed valid to the extent of the scope of breadth permitted by law.
- 11.5 During the term of this Agreement and thereafter, the Contractor understands and agrees that all pertinent information of the Agency shall be held in the strictest of confidence by the Contractor and Home Health Staff, and that the Contractor and Home Health Staff shall not, directly or indirectly, disclose or use any of such information without prior written consent of the patient and Agency.
- 11.6 The validity of this Agreement, the interpretation of the rights and duties of the parties hereunder and the construction of the terms hereof shall be governed in accordance with the laws of the State of California.

Executed on this ___/___/_____

Contractor:

Agency:

AMERICARE HOME HEALTH, INC
16501 SHERMAN WAY, SUITE 225
VAN NUYS CA, 91406-3527

Contractor

Manager

EXHIBIT A

BILLING AND COMPENSATION PROCEDURES

- A. The Agency shall bill all patients receiving Contract Services from the Home Health Staff and shall be responsible for the collection of monies due therefore.
- B. The Contractor shall submit a statement of Compensation due from the Agency on a biweekly basis. The Agency agrees to make payments to the Contractor immediately upon its receipt of Blue Cross of California Remittance Advice (RAs) showing the processed visits made by the Contractor. It is understood that in the event that payment is not received by the Contractor within five (5) days after the Agency receives the RAs, the Contractor has the right to stop all services agreed upon in this Agreement without termination of the Agreement until such payment is received. It is further understood that the Contractor has the right to inspect and review the Agency's RAs for purposes of verifying the Agency's payment(s).
- C. If payment due is not received by Contractor within said five (5) day period, the Contractor in its sole discretion may assess a finance charge upon the balance of monies due at a rate not to exceed 2.0% per calendar month. The Agency further agrees that if collection procedures need to be implemented by the Contractor to obtain from the Agency compensation due under this Agreement, the Agency will be responsible for payment of all reasonable costs of collection including but not limited to attorney's fees, court and collection agency fees.