# EMERGENCY AMBULANCE SERVICE PR

*City of Spring Hill, Tennessee*

NOVEMBER 7, 2019

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# 1. COVER PAGE

November 7, 2019

April Goad, City Recorder
City of Spring Hill
199 Town Center Parkway
P.O. Box 789
Spring Hill, TN 37174
Email: agoad@springhilltn.org

RE: Emergency Ambulance Service Proposal City of Spring Hill, Tennessee

Dear Ms. Goad,

American Medical Response of Tennessee, Inc. (AMR) is eager to submit our response to the City of Spring Hill, Tennessee Request for Proposals (RFP), for Emergency Ambulance Service.

As the incumbent provider, we are uniquely positioned to continue to be the City's "Provider of Choice," without interruption of service and with no risk associated with a change in providers. We are your trusted partner. Our local team of experienced and proven professionals will continue to provide exceptional emergency ambulance service. Most importantly, our proposal was developed with three underlying principles: service quality, response reliability, and contract stability. We strongly believe that long-term stability and sustainability of the provider is essential for this vital public service.

With national strength, AMR is local driven to be in the best position to provide advanced services in a cost-effective manner. Our goals are to increase ambulance service access to the community, provide continuous clinical quality improvement, and to build upon a strong and sustainable public safety network. Highlights of our proposal include:

- Three (3) 24 /7/365 -hour ALS ambulances – staffed with an A-EMT and EMT-Paramedic, stationed within the City, and completely dedicated to your emergency calls for service;
- One (1) Paramedic Supervisor to provide 911 emergency response and system oversight for the City of Spring Hill, at the minimum response time requirements;
- Seamless integration and alignment with City of Spring Hill E-911 dispatch, local fire departments, and all system partners;
- A renewed focus on clinical excellence, including physician medical director support and interaction, outcome data reports, participation in national registries, and continuous employee training quality improvement;
- Ability to supplement services and resources from our national organization, providing air ambulance resources, staffing/recruitment assistance, clinical oversight and advancements, purchasing power and more, in support of local operations; and,

- <u>Capability to quickly assemble and deliver additional emergency resources</u> from surrounding areas of Tennessee and nationally, including aircraft, ground ambulances, and personnel in times of high call volume, MCI events or disasters. No other private provide can match our strength and capabilities in this regard.

We have already made significant investments in equipment and technology to ensure that our Spring Hill operation remains on the industry's leading edge. We intend to continue down this path. As an example, we have invested significant funding into the local emergency communication system to provide our crews with the necessary technology for effective dispatch and partner interface.

Making the financial investments necessary to continually improve our system has proved challenging. Reimbursement for the services we provide is diminishing. Moreover, because we operate in a fee-for-service system, we can only bill and collect payment when we actually transport patients. When we respond to calls that result in no transport, or provide services not associated with a transport, we receive no reimbursement at all – even though we continue to bear all costs associated with being ready to respond at a moment's notice. There is no relief in sight with this economic healthcare reality. Therefore, more and more local systems are requiring subsidies to assure financial viability, stability, and the maintenance of quality services. We are also prepared to allow for complete transparency of our operating financial reports, including revenues and expenses, to support the need for the subsidy and demonstrate good public policy.

We are eager to continue our partnership with the City of Spring Hill and are confident that our proposal demonstrates an unwavering commitment to invest in the future of your EMS system. Furthermore, AMR has a history of strong contract response time compliance, by meeting or exceeding all performance standards within the City. We intend to continue our solid performance and investments in the Spring Hill operation and community.

We welcome further discussion on any of the service elements presented within this document and are happy to answer any questions or provide additional information. Thank you for consideration of our proposal.

Sincerely,

Regional Director, Southeast
American Medical Response
Lifeguard Ambulance Service
950 22nd Street North, Suite 800
Birmingham, AL 35203
W: 205.949.1789 | C: 850.499.5506
Joshua.Spencer2@amr.net

# 2. COMPREHENSIVE RESPONSE

a. *Address all requirements and services outlined in Section III – Scope of Work.*

As the current provider for the City of Spring Hill, AMR meets and exceeds the services outlined in the Scope of Work. We are eager to continue to provide services to the City of Spring Hill and its citizens with innovative and cost-effective solutions. We have outlined below how we meet and exceed the City's service expectations and our adheres to the Scope of Work.

| *III. Scope of Services* | |
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| *Purpose. To select the best qualified proposer and award a City-approved Agreement to a suitably qualified vendor to provide the work and services as described in this RFP.* | |
| *General Responsibilities of Proposer.* | |
| *1. The Proposer must maintain compliance with TCA Section 68-140-201 et seq.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. The Proposer must maintain compliance with Rules of the Tennessee Department of Health, Chapter 1200-12-1, et seq.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. The Proposer must provide and pay for all administrative insurance, expertise, training, labor, materials, vehicles, equipment and associated operating expenses necessary to respond to all emergency and non-emergency calls referred to the Proposer by the Williamson County E-911.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *4. The Proposer must provide ambulance services within the City of Spring Hill as illustrated in Exhibit A of RFP including future areas annexed into the corporate limits of the City and must also be available to provide mutual aid ambulance services to surrounding jurisdictions including City of Columbia, Maury County and Williamson County.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *5. In responding to emergency requests, the Proposer shall satisfy the response time performance requirements.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| *6. The Proposer must allow ambulances to be dispatched, located and monitored by the Williamson County E911 Communication Center.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *7. The Proposer must apply for, secure and renew all licenses, permits, certificates, or similar government approvals which are or may be required by applicable law. The proposer must provide copies of all licenses to the City.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *8. The Proposer must accept assignment of Medicare benefits as payment and shall not bill Medicare beneficiaries for any additional amount except as permitted by the Medicare Guidelines for the acceptance of assignment.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *9. The proposer must make emergency and non-emergency services available to all persons with the service area defined in this RFP. Fees for services shall not escalate during the initial term of the Agreement.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *10. The Proposer shall immediately restock its ambulance with all supplies required or return to the nearest station to restock.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *11. The Proposer must comply with all City and County Emergency Management Plans as adopted by the City and Maury and Williamson Counties.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *12. Subleasing or subcontracting of the ambulance services by Proposer shall be prohibited.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *13. The successful proposer shall make monthly written reports to the City which shall include as a minimum the number of emergency and non-emergency transports, response times for emergency transports, and number of "Level Zero" periods during each reporting periods.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *Transport.* | |
| *1. The proposer must provide emergency services from the scene to the appropriate health facility or other location for all persons in the service area. If a patient requires advance care beyond the capabilities of area facilities, the patient will be transported to the closest appropriate facility as* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| *long as doing so does not jeopardize the patient's health.* | |
| ***Communication Equipment.*** | |
| *1. The proposer shall supply and maintain fully operational vehicle and portable radios as required for it to perform the responsibilities as outlined in this RFP. The Proposer will be responsible for supplying vehicles, equipment, supplies and radios and other communication devices that meet or exceed standards for inter-operable communications with the Williamson County E-911. The Proposer will install and maintain AVL or equivalent hardware manufactured to be used in 911 Dispatch to track and locate the closest appropriate ambulances for emergency calls that will be located in the City. All vehicles will be equipped with a compatible transponder or equivalent technology to be tracked by Williamson County E-911. All vehicles and equipment shall be fully operational when placed in service initially and throughout the term of the Agreement for respond to public needs.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Notification.*** | |
| *1. The City of Spring Hill EMS Coordinator must be notified immediately whenever the following occurs: Any single incident or accident requiring the response of three (3) or more ambulances; mass casualty incidents; or motor vehicle accident involving a Proposer operated ambulance.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Available Ambulances.*** | |
| *1. The proposer shall provide a standby ambulance or emergency medical personal for standby upon request of the Fire or Police Chief, at no additional charge to the City, when there is reason to believe a life-threatening public emergency presently exists or is eminent in the City, which includes standing-by a fire, rescue, and hazardous materials response incidents.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| *2. The Proposer shall provide a minimum of three (3) Advance Life Support units on duty 24 hours a day, seven days a week, 365 days a year. Ambulances may be stationed at Fire Station #1, Fire Station #2, and Fire Station #3. Proposer personnel may reside 24-hours per day at Station #2 and Station #3. Station #1 is not capable currently of accommodating 24-hour residency of Proposer ambulance staff. The Proposer may, at their sole expense, install during the Agreement period one (1) portable living quarters on the premises including furnishing all required utility connections to the existing building or new utility service(s) connections as may be required to meet local code requirements. The Proposer shall remove the portable living quarters within thirty (30) days of the termination of the Agreement. The Proposer may select an alternative location to being housed at Fire Station #1 at their sole expense provided, the alternative location will provide equal or better response times than Fire Station #1 to satisfy performance measures requirements referenced in this RFP.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. The Proposer shall determine the number of ambulances beyond the minimum to meet the response time performance measures contained in the RFP. If the Proposer has no ambulances available for an emergency request (Level "Zero") and/or fails to meet the response time as provided in the RFP, a performance penalty may be assessed by the City.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *4. The Proposer shall maintain three (3) 24-hour Advanced Life Support units that are no older than five (5) years or 250,000 miles.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *5. When an ambulance is taken out of service due to mechanical failure or accident, are placement ambulance that is staffed and equipped according to the RFP must be made available within forty-five (45) minutes.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *6. When an ambulance is to be taken out of service for preventative or routine maintenance, another ambulance must be put in place of the ambulance being taken out of service, until such time as the other ambulance is returned to service.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| 7. Equipment shall be available to allow ambulances to travel in inclement weather conditions, including snow or ice. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| **Response Time.** | |
| 1. Response times are a key measure of the Proposer's performance. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| 2. As used herein, the term "emergency request" shall include any response by the Proposer under the Agreement on an emergency service request received by the proposer from Williamson County E911 or an emergency call for help received directly from the public within the service area. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| 3. Response time shall be calculated from the moment the Proposer's ambulance is notified of the emergency service request until the Proposer's ambulance arrives on the scene, and shall include call processing and dispatch time, turnout time, and travel time. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| 4. If, in each monthly period, the Proposer fails to respond to emergency requests in a timely manner, it shall pay response damages set forth in this RFP. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| 5. For the purpose of determining the Proposer's compliance with the response time standards as set forth in this RFP, and for calculating damages, every emergency request for ambulance service shall be counted except:<br><br>a. Requests during a disaster, locally or in a neighboring jurisdiction that a Contractor's ambulance is dispatched to.<br><br>b. Requests which are cancelled before the Proposer's arrival at the incident location, but before the contracted response time has expired. Calls which are cancelled before the Proposer's arrival at the incident location that are beyond the contracted response time will be counted.<br><br>c. A verifiable inclement weather condition exists.<br><br>d. Other causes as may be approved by the City upon detailed explanation presented by Proposer. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| **First Responders.** | |

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| *1. The Proposer shall cooperate and coordinate its activities and services with the first responder's services, the primary goal being to enhance patient care through mutual cooperation. The Proposer shall provide an on-scene exchange of disposable medical supplies used by the City Fire and Police Departments at no additional charge.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. The first agency on the scene shall have primary responsibility for patient care until such time as care is turned over to the Proposer. The highest-ranking Fire Department officer on the scene shall have scene control as Incident Commander.*<br><br>*Clinical decisions as they relate to the performance of patient care shall be the purview of the EMS provider at the scene with the highest level of EMS certification.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Ambulance Specifications.*** | |
| *1. All ambulances used for emergency patient transport shall be in good working condition, physical appearance, operational, and mechanically sound for the patients and crew members. This requirement shall remain in effect during the entire Agreement period.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. Each ambulance used in the emergency transportation of patients must be equipped with all items required by the State of Tennessee.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. Equipment shall be available to allow ambulances to travel in inclement weather conditions, including snow or ice.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *4. Each ambulance must permanently display the name of or other suitable corporate identification or logo on the outside of the vehicle along with that vehicles state identification number.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *5. Any ambulance used by the Proposer for transporting patients shall conform to all standards promulgated and defined by the City, and all rules and regulations promulgated and set forth in state regulations or other authorities having jurisdiction.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Personnel.*** | |

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| *1. The Proposer will provide an appropriate number of supervisors, twenty-four (24) hours a day, seven (7) days a week, who will be available for immediate response to emergencies, will deliver supplies and equipment to fire stations, ambulances and supervise personnel on a daily basis.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. The Proposer will provide a Medical Director or equivalent to provide medical consultation and other necessary medical support services for Provider personnel when responding to emergency and non-emergency calls. Medical Director must also provide advance First Responder protocols specific to BLS and ALS levels.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. The Proposer should utilize a work schedule along with shift assignment that are consistent and compatible with the City of Spring Hill Fire Department.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *4. The Proposer should attempt to employ EMTs, Paramedics, and clerical staff with local knowledge and experience.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *5. The parties understand that EMS services require professional and courteous conduct at all times from Proposer's field personnel, middle management, and top executives.*<br><br>*The Proposer shall employ highly trained paramedics, EMTs, and support staff to provide patient care and to operate Proposer's vehicles and equipment.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *6. Each EMT and Paramedic shall be physically capable of performing the tasks assigned by the Proposer, shall be clean in dress and person, and shall display their name and certification on a photo identification badge in an appropriate manner visible to the patient. Any of Proposer's employees who operate under the Agreement shall conform to the Proposer's dress code.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *7. The Proposer shall utilize management practices that ensure that field personnel working extended shifts, part-time jobs, voluntary overtime, or mandatory overtime are not exhausted to an extent that might impair judgment or motor skills.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| *8. The Proposer must have in place a program for random drug screening of all personnel providing response under the Agreement. Further, the Proposer will transport to a facility for testing any employee suspected to be using or under the influence of drugs or alcohol or other intoxicant or have an agent of a testing facility come to the location of the employee to obtain a necessary sample. Any employee suspected of being under the influence of any drug or intoxicating substance will be relieved of duty until there is clinical proof to the contrary.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *9. Should complaints arise regarding level of care, response, or employee action or inaction, such complaints from the City must be answered within 48 hours to include actions taken, including disciplinary action and other corrective measures.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *10. The Proposer must provide a mechanism or approved method for monitoring driver performance for all ambulances providing service under the Agreement. The methodology will be presented in advance of commencement of Agreement.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Billing and Collection Methods*** | |
| *1. The Proposer must describe the proposed methods for billing and for collecting accounts receivable, both current and future. The Proposer will provide all billing for insurance claims and will be entitled to receive and have full ownership in all collections applicable under the law with the exception of any amount of concessions that may be made after collections reach a certain amount.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Quality Improvement Program.*** | |
| *1. The Proposer shall develop and have in place a comprehensive quality improvement program for the provision of EMS services and provide a copy of such program and implementation to the City prior to commencement of the Agreement. Continuous improvement should be the overarching goal for the quality improvement program.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

| Minimum Insurance Requirements | |
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| 1. On or before commencement of Agreement period, the Proposer shall purchase and provide, in a company or companies licensed to do business in the State of Tennessee, such insurance as will protect the City from claims which may arise or result from the Proposer's operations under the Agreement, whether such operations are performed by Proposer or by any subcontractor, or by anyone directly or indirectly<br><br>employed by any of them, or by anyone for whose acts the Proposer or subcontractor may be liable. | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |
| 2. The insurance required shall be written for not less than any limits or liability specified below or required by law, whichever is greater. All policies shall provide for 30-day notice to the City of cancellation or alteration in coverage. The Proposer shall maintain through the life of the Agreement insurance, through insurers rated Aor better, in the following minimal limits: a. Commercial general liability insurance - \$2,000,000 per occurrence and \$4,000,000 annual aggregate. City of Spring Hill government, its elected officials, appointees, employees and members of boards, agencies and commissions shall be named as additional insured.<br><br>b. Business automobile liability insurance -- \$2,000,000 single limit each accident for bodily injury and property damage. City of Spring Hill government, its elected officials, appointees, employees and members of boards, agencies and commissions shall be named as additional insured. Coverage is to be provided on all: a) Owned/Leased Autos, b) Non-Owned Autos, and c) Hired Autos.<br><br>c. Ambulance Service Providers Professional or medical malpractice / Errors & Omissions insurance - \$1,000,000 per occurrence and \$3,000,000 annual aggregate. City of Spring Hill government, its elected officials, appointees, employees and members of boards, agencies and commissions shall be named as additional insured.<br><br>d. Worker's compensation coverage to statutory limits as required by law; employers' liability insurance of not less than \$1,000,000 bodily injury by incident; \$1,000,000 bodily injury by disease for | AMR adheres to and agrees to this requirement set forth within the Scope of Services. |

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| *each employee. City of Spring Hill government, its elected officials, appointees, employees and members of boards, agencies and commissions shall be named as additional insured.*<br><br>*e. Personal injury protection (PIP) or medical payment coverage as required by law. City of Spring Hill government, its elected officials, appointees, employees and members of boards, agencies and commissions shall be named as additional insured.*<br><br>*f. "Umbrella" Liability (including malpractice/professional liability) coverage in the amount of at least $5,000,000 each occurrence/$5,000,000 aggregate shall be provided as additional coverage to all underlying liability policies. City of Spring Hill government, its elected officials, appointees, employees and members of boards, agencies and commissions shall be named as additional insured.* | |
| *Performance Bond.* | |
| *The successful Proposer shall be required to provide a performance bond or Irrevocable Letter of Credit to ensure the full and faithful performance of its Agreement with the City. The successful Proposer shall provide and pay costs of a performance bond, equal to Five Hundred Thousand Dollars ($500,000). The performance bond must be issued by*<br><br>*a Surety Company licensed to do business in Tennessee, with an "A" minimum rating of performance as stated in the most current publication of "Best's Key Rating Guide,*<br><br>*Property Liability". Each performance bond shall be accompanied by a Power of*<br><br>*Attorney, authorizing the attorney in fact to bid the surety and certified to include the date of the bond. Proposer to include with the proposal submittal a Letter of Intent to secure a $500,000 performance bond or irrevocable letter of credit.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *Community Support and Training* | |

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| *1. Proposer shall agree to participate in a minimum of two community disaster drills per calendar year, as directed by either Williamson or Maury County Emergency Management. Additional training exercises shall also be conducted with City Fire and Police Department personnel.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. Provider shall provide EMS training to Fire and Police Department and other emergency services providers including training the is eligible for required CEU credits for emergency personnel.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. Publicize the services to the people in the area, giving information as to the use of the services.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *Indemnification.* | |
| *1. The Proposer agrees to defend, indemnify and hold harmless the City of Spring Hill, their officers, agents, employees, contractors and representatives, from any and all claims, demands, liabilities, penalties, damages, expenses and judgments of any nature and description based on the negligence of the Proposer and arising out of the performance by the Proposer, its employees, subcontractors or agent in providing ambulance services under the Agreement for the City.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. Proposer expressly understands and agrees that any insurance protection required by the Agreement or otherwise provided by the Provider shall in no way limit the responsibility to indemnify, defend, and hold harmless the City or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. The City has no obligation to provide legal counsel or defense to Proposer in the event that a suit, claim or action of any character is brought by any person not a party to the contract against Proposer as a result of or relating to performance or obligations of the services under the Agreement.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *4. Proposer shall immediately notify the City of any claim or suit made or filed against Proposer or its subcontractors regarding any matter resulting from or relating to Proposer's obligations under the contract, and will cooperate, assist and consult* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| *with the City in the defense or investigation thereof.* | |
| *Performance-Based Agreement.* | |
| *The most important aspect of this procurement is that the resulting Agreement will be performance-based. Penalties in the form of Response Damages will be assessed for failures to achieve minimum standards set forth in the Agreement. This procurement requires the highest levels of performance and reliability, and the mere demonstration of effort, even diligent and well-intentioned effort, shall not substitute for performance results. Specifically:*<br>*1. Ambulance response times must meet the response requirements set forth in the RFP.*<br>*2. The Williamson County E911 will be responsible for dispatch of all ambulances to calls for service under the Agreement.*<br>*3. Every ambulance unit must at all times be equipped and staffed to operate at the State of Tennessee certified paramedic ALS level on all emergency calls received under the*<br>*Agreement.*<br>*4. Clinical performance must be consistent with approved medical standards and protocols and guidelines set forth by the State of Tennessee.*<br>*5. The conduct of personnel must be professional and courteous at all times.*<br>*6. There must be a continuous effort to detect and correct performance deficiencies and to continuously upgrade the performance and reliability of the entire EMS system.*<br>*7. Clinical and response time performance must be extremely reliable, with equipment failure and human error held to an absolute minimum through constant attention to performance, protocol, procedure, performance auditing, and prompt and definitive corrective action.*<br>*8. This is not a level-of-effort Agreement. A proposer who fails to perform must and shall be* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

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| *promptly replaced, because human lives and not merely inconvenience or money, are at stake. In accepting a Proposer's offer, the City neither accepts nor* <br><br> *rejects the Proposer's level-of-effort estimates; rather, the City accepts the Proposer's promise to employ whatever level-of-effort is necessary to achieve the clinical, response time, and other performance standards required by the terms of the Proposer.* | |
| ***Response Damages.*** | |
| *1. In each monthly period (beginning on the first day of each month), and commencing on the first day of operations, not less than one hundred percent (100%) of the Proposer's response to emergency requests shall be performed as set forth in the RFP.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. Failure of the Proposer to meet response time requirements may result in a penalty fee being imposed by the City upon the Proposer based on the following: Response Time inside all portions of Service Area = Nine (9) minutes or less.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *3. Specific Performance Damages – Ambulance Availability. The Proposer's failure to provide available ambulances as required in the RFP may result in a penalty fee being imposed by the City upon the Proposer.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| ***Performance Review.*** | |
| *1. The City shall conduct a monthly evaluation of the performance of the Proposer for the first six (6) months of Agreement and quarterly thereafter utilizing criteria the City determines to be relevant. In addition, the City may conduct intermittent evaluations or at such times deemed appropriate based upon performance. This will include but not be limited to issues of mere compliance with the terms of the Agreement.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |
| *2. The Proposer's performance should exceed the minimum standards set forth in the RFP.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

| *Right to Monitor and Audit.* | |
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| *1. Access to Records. During all phases of the work and services to be provided hereunder the Proposer agrees to permit duly authorized agents and employees of the City, to enter the Proposer's offices for the purpose of inspections, reviews and audits during normal working hours. Reviews may also be accomplished at meetings that are arranged at mutually agreeable times and places. The Proposer will maintain all books, documents, papers, accounting records, and other evidence pertaining to the fee paid under the Agreement and make such materials available at their offices at all reasonable times during the period of the Agreement and for three (3) years from the date of payment under the Agreement for inspection by the City or by any other governmental entity or agency participating in the funding of this Agreement, or any authorized agents thereof; copies of said records to be furnished if requested.* | *AMR adheres to and agrees to this requirement set forth within the Scope of Services.* |

*b. Outline of how proposer can meet or exceed the minimum requirements.*

AMR being the current provider has a historical record of complying with the city's requirements with both assets, response times, and deployment. AMR has the additional resources to meet the current RFP requirements and will fully comply with the contractual expectation. In the matrix above, we have confirmed our compliance with each of the RFP's scope requirements.

Below, we have illustrated our compliance with each of the RFP-required Minimum Proposer Requirements, as found on page 2 of 17 of the City RFP.

| *Minimum Proposer Requirement* | *AMR Meets* | *AMR Exceeds* | *Notes* |
|---|---|---|---|
| *1. Have a minimum of ten (10) years' experience providing the requested Services described in the RFP.* | | YES ✓ | *American Medical Response of Tennessee, Inc. has provided the requested services as an incorporated entity since June 1996* |
| 2. Have sufficient, competent and skilled staff with experience in performing the Services. | | YES ✓ | *Our operational and clinical leadership team have decades of collective EMS experience in Tennessee and have the unique support of industry experts and leaders through our parent organization, Global Medical Response, Inc.* |
| *3. Have all appropriate and required licenses and certifications required by the State of Tennessee to perform the Services and procure all permits, pay all charges, taxes and fees.* | YES ✓ | | *As detailed later, AMR has provided proof of compliance and good standing with all State of Tennessee requirements, permits, charges, taxes and fees.* |
| *4. Provide a written statement of completion that proposer adheres to all Title VI requirements and provide proof/documentation if necessary.* | YES ✓ | | *American Medical Response of Tennessee, Inc. adheres to all Title VI requirements and will provide proof or supporting documentation if necessary, for the City's review.* |
| 5. Provide proof of minimum insurance requirements. | YES ✓ | | *As detailed later, AMR has provided proof of our ability to meet the RFP insurance requirements as an Attachment to this proposal.* |

c. *Detail of how the proposer is qualified to provide the services required.*

AMR is uniquely qualified to provide the services that is required by the city. AMR is the current provider and is licensed by the State of Tennessee and has met all regulatory requirements. In addition, all of AMR's licensure is current with the State with no deficiencies.

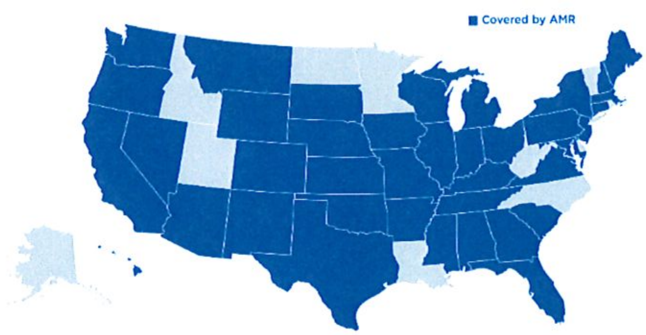
We have unmatched experience in providing high quality, performance-based ambulance services to communities and contracts similar to Spring Hill and this RFP. With more than 38,000 national employees and a fleet of 7,000 vehicles, AMR cares for millions of patients a year in thousands of communities nationwide.

## *A Leading and Qualified Provider*

Today, AMR provides emergency/911 Advanced Life Support ("ALS") and/or Basic Life Support ("BLS") ambulance transport services for more than 230 public customers across the United States. Currently, more than 50 of our clients have populations of 190,000 or more. This support structure gives us a stable financial backing as well as a vast network of national resources, including a close integration with community hospitals and physicians.

In each system, we forge strong, collaborative partnerships with the local fire service and first response agencies. We understand that the best patient outcomes come from an integrated system that works well together to care for patients, and we tailor our approach to the existing system. From shared medical direction and vehicles to supply restocking, we take every measure available to ensure that our personnel and local responders have the resources and support needed to work as a team.

Our experience and ability to meet the RFP requirements is well documented throughout our proposal, including the provision of references for the City's review. In addition, we've looked at our resume of service and selected a responsible sampling of additional customers that mirror or exceed the City system, provided in the list beginning below. We provide compliant service in all types of systems, differing by city and state and level of service - from backup mutual aid to full operation of the system.




We serve in communities from coast to coast.



Local operations consist of a community-based medical director, paramedics, EMTs, clinical leaders, nurses, dispatch center and garage operations personnel.

In several of these communities, AMR has also begun to explore new ways to partner with local fire organizations to better serve our communities and find innovative ways to approach EMS. For example, in our private-public partnership with the Contra Costa County Fire Protection District, AMR provides ambulance service for most of the county, and the fire district remains responsible for billing. In Washington, D.C., we operate BLS ambulance in partnership with the fire service to serve low acuity patients and have implemented our Nurse Navigation solution. No matter the configuration, we strive to work as an integrated, responsive, and ever-evolving partner.

## Contra Costa County, California


Since November 1997, we have provided emergency and non-emergency medical transport services for the Contra Costa County, California area (population 1,066,906). AMR employs approximately 350 paramedics and EMTs and handles on average 70,000 calls annually.

This operation is CAAS accredited and operates a unique alliance with our local fire partners, offering a joint approach to high-performance EMS.

## Arlington, Texas

Since 2001, we have partnered with the City of Arlington Fire Department, to serve the City of Arlington (population 396,394), operating as "Arlington EMS". Together, the two comprise the Arlington EMS system, managing over 40,000 calls annually in an exclusive operating environment. We operate a shared community paramedic program with the fire department and are in the process of implementing our Nurse Navigation solution low acuity hotline.

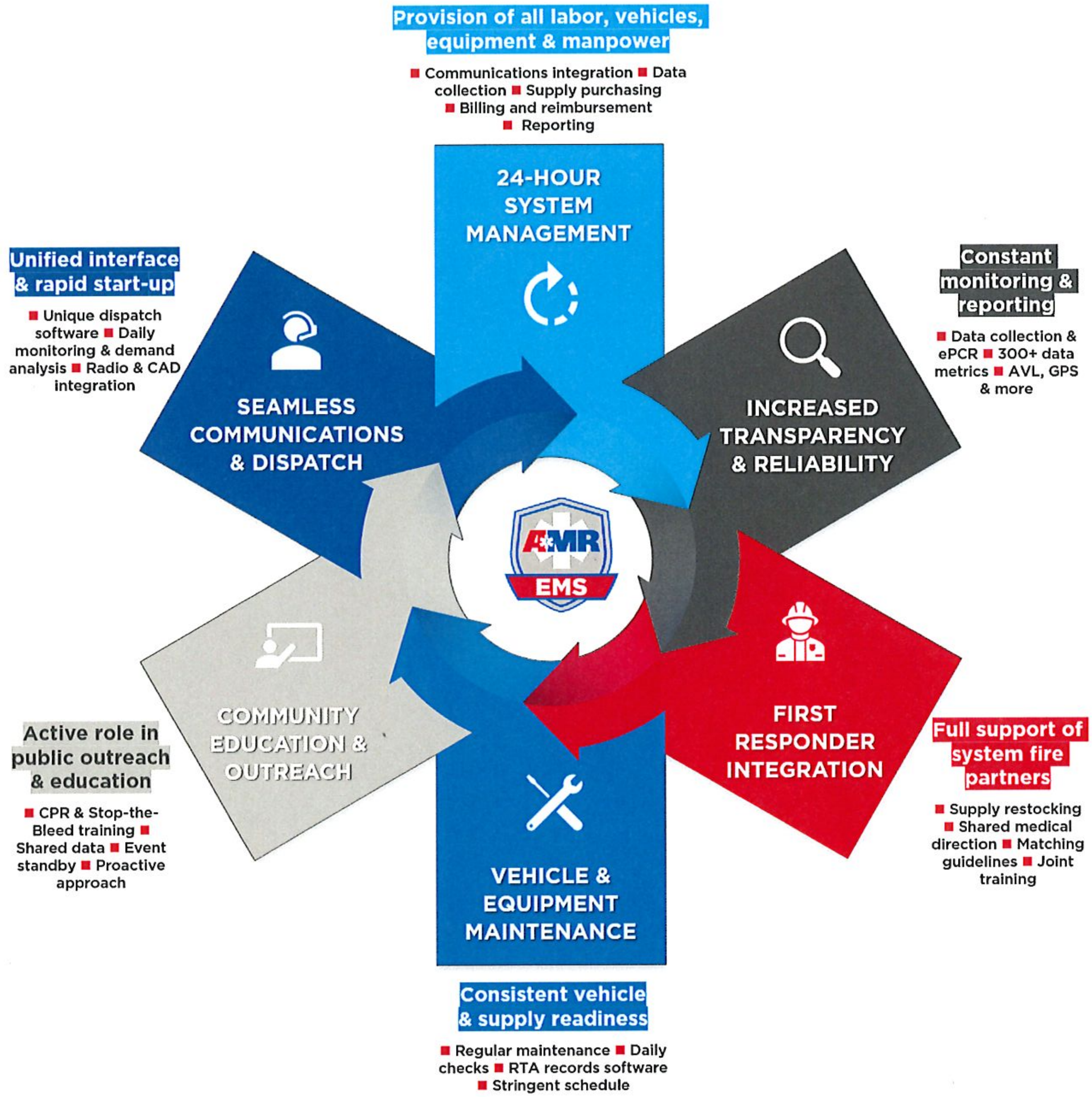
## Washington, District of Columbia

We began our emergency service to Washington, D.C. on March 28, 2016, coverage more than 672,000 citizens. We provide emergency BLS response to support Washington D.C. Fire and Emergency Medical Services ("FEMS"), responding to more than 45,000 calls each year. AMR D.C. houses 58 ambulances and two supervisor vehicles and employs 240 caregivers and support staff. We work closely with FEMS to provide support the local system, and recently participated in Multi-Agency FAA Airport and Multi-Agency Active Shooter drills.

As previously described, AMR operates an active nurse triage line in D.C. and considers it one of our company's flagship operations for participation in the CMS and HHS ET3 model initiative.

*d. A detailed description of the approach for accomplishing the services outlined in Section III - Scope of Services.*

In today's healthcare environment, the City's ambulance provider absolutely must produce bottom-line value and measurable patient results. As a result, AMR has developed a holistic, single-platform ambulance solution that will help you achieve the results shown below.




## *Operation of Service*

With AMR being the current provider for the City of Spring Hill gives a great advantage accomplishing the expected services. This will allow current staffing to continue with this new contractual period. Asset set up will be accomplished quite quickly as most all meet the current requirements and are in current operation. Vehicle expectations will be met due to the ability of AMR to quickly acquire assets from our vendors and will guarantee compliance at contract start up.

## Resources Provided

Based on the information available during this solicitation process, AMR will provide three (3) 24-hour ALS ambulances along with paramedic supervisor. Our ALS services include qualified and highly trained personnel, fully equipped vehicles and state of the art equipment with a user-friendly communication system.

## 24-Hour Service

The City of Spring Hill requires a commitment to dynamic ambulance deployment and management, collaboration with first responder partners, accountable reporting, and the ability to reliably exceed response time standards. AMR's experience is demonstrated by our reliable compliance in other EMS systems, as well as our decades of operating high-performance, accredited dispatch centers. Our commitment to partner with area fire first responder partners and our committed, qualified employees bring it all together into an accountable EMS solution. Our history of response time reliability is achieved through our experienced ambulance deployment experts, managers, and supervisors who have the technology and expertise to monitor the EMS system continuously on an hour to hour basis.

AMR uses system status management strategies to build a dynamic system status plan, which includes variable shift start times around the clock, post locations based on traffic patterns and concentrated call locations, and the ability to surge additional ambulances into the system as needed for periods of unanticipated high call volume.

We utilize our proprietary Operations Planning and Analytics Platform, or "OPAP," to monitor deployment each day and refine our plan accordingly. This technology assists the most important component of managing an EMS system - the experienced dispatchers and supervisors who have intimate knowledge of the system and its needs. Using our state-of-the-art dispatch infrastructure, AMR will ensure our paramedics and EMTs are in the right place at the right time when needed.

## Initial Deployment

AMR will assign three (3) ambulance units to serve the City, staffed and equipped to provide compliant system coverage 24 hours a day, seven days a week. All vehicles will continually have access to an on-duty supervisor, who will be assigned a Quick Response Vehicle - or "QRV" - for supplemental response. At minimum, each ambulance will be staffed by one paramedic and one emergency medical technician ("EMT") and will always be equipped to meet state and local standards. Each unit will have the necessary radio equipment to communicate with each first responder agencies and will be equipped with high-acuity life support equipment, such as cardiac monitors, defibrillators, oxygen delivery systems, and pharmaceutical and medical supplies.

## System Status Management

Maintaining a compliant and responsive system is the result of careful planning, constant analysis, and local collaboration with system partners. AMR uses a proprietary system to analyze demand and develop a deployment strategy, using a mix of shifts with a posting plan to provide the fastest emergency response possible.

AMR's Operations Planning and Analytics Platform ("OPAP") is supported by a national team of deployment experts and provides AMR managers with visibility to trended transport demand and performance data. With this information, our local team will be able pinpoint opportunities to add or move resources as needed to effectively serve the community.

Through OPAP, AMR uses best-in-industry tools such as geospatial priority-post plan placement and advanced queuing theories to build our System Status Management ("SSM") plan. Our SSM strategies allow us to match available ambulances to the demand for 911 calls, maximizing our resources and creating a compliant and sustainable system. AMR feeds data into OPAP directly from the local computer aided dispatch, or "CAD", system, tuning the platform to contracted performance criteria.

Dispatch call volume data are paired with performance criteria to create demand models that are sensitive to seasonal fluctuations and surges. Ambulance supply—shift start times and durations, measured in unit hours—are built to match the demand models.

Proper deployment of ambulances is achieved through dynamic posting strategies focused on the community. AMR ambulances are posted according to plans developed using several criteria - including ease of ingress and egress when accessing each post location, traffic studies, and drive time - to maximize geographic coverage, and crew safety and well-being. AMR continually reviews posting plans and ambulance deployment using OPAP and makes deployment adjustments as indicated/necessary.

## Unexpected Demand

AMR has established mechanisms to meet the demand for emergency ambulance response during peak periods or unexpected periods of unusually high call volume, including disasters and other surge events like high flu season. Our management team will continuously monitor response time performance, as well as the location and status of all ambulances.

We will work seamlessly with the dispatch center and react immediately to unforeseen surges in call volume to maintain optimal response times. AMR's Field Supervisors and Operations Manager will monitor the location and status of all ambulances directly through dispatch status monitors in the AMR offices and via lap top computers which are capable of status monitoring at all times while mobile. Managers will regularly communicate with dispatchers during peak periods of unusually high call volume to support ambulance movement and, when needed, provide additional ambulances.

# *Training and Management of Clinical Personnel*

Once selected to serve as part of the AMR team, each new employee undergoes a comprehensive orientation program, which includes approximately 7 days, or 52 hours, of classroom and hands-on instruction in service and clinical excellence. This instruction includes AMR policies and procedures, local protocols, and legal and compliance issues as well as specialized safety and risk management and disaster training.

Our continuing education program for the City will be conducted under the oversight of our Clinical Education Services ("CES") team. Through our comprehensive CQI program, system challenges and opportunities are identified, and custom training programs are developed to address both local and nationally evolving issues. Our Regional Director will work closely with the Operations Supervisor and the local Medical Director to ensure that our continuing education programs are responsive to issues identified through this process. We provide employees access to reports online and conduct monthly meetings to ensure competence (via Skype or in person).

# *Quality Improvement Process Management*

An important part of any medical practice is an ongoing commitment to measuring performance and implementation of appropriate actions based on the analysis of that performance. In the City of Spring Hill, all members of AMR's clinical team will focus on consistently analyzing metrics associated with specific expectations and comparing them to national industry or AMR-wide benchmarks. Comparative analysis (who does it best, or who needs help) allows for a practical, real-world look at performance based on national scientific evidence. We have developed a robust quality management program; built on the belief that we can improve what we measure and monitor. Our Continuous Quality Improvement ("CQI") program tracks performance in all key areas of our operation, identifies prospects for improvement, and determines the impact of improvement initiatives.

# *Interactions with First Responders*

Our primary goal is to develop a system that is united, transparent, and highly accountable to this community. We will take robust measures to build exemplary partnerships with fire departments, local law enforcement, and other first responder organizations throughout the service area. We invest in the latest software and equipment to share data and track outcomes and will use our resources to support these local agencies. Other methods used to promote a high level of integration within the City will include:

- Coordinated on-scene care and supply replenishment
- Centralized call intake and dispatch procedure processes
- Seamless selection, activation, and response of first responders and AMR
- Joint training programs, education, and disaster drills
- Shared medical direction and identical protocols, system-wide
- Shared purchasing power and access to new technology

e. *Qualifications and experience of the company, including organizational size structure and history of the company, and experience in the provision of ambulance services. List all past and present contracts for operation of an ambulance service, the years in which the services were provided, and if such contract was terminated and the reason for termination.*

## *American Medical Response History*

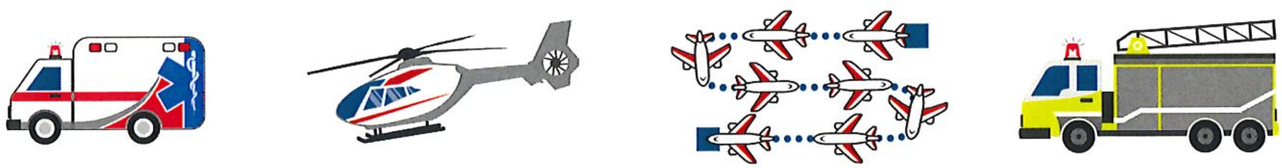
> *AMR Mission*
> *Our mission is providing care to the world at a moment's notice and is at the heart of everything we do.*

As the incumbent provider, AMR is already intimately familiar with the City of Spring Hill service area and already provide compliant high-performance Emergency Medical Services ("EMS") to various partners in Tennessee and surrounding states. AMR is the nation's largest emergent and non-emergent medical transportation company. Since our inception, AMR has provided Call Center Services, Basic Life Support, Advanced Life Support, Specialty Care Transport, Bariatric Services, and is the primary FEMA contractor.

## National Support

AMR is a part of Global Medical Response (GMR). GMR is a national leader in the medical transportation services market, operating hundreds of air and ground bases through its subsidiaries. With more than 38,000 employees, Global Medical Response teams deliver compassionate, quality medical care, primarily in the areas of emergency and patient relocation services in the United States, the District of Columbia and around the world. GMR was formed by combining the industry leaders in air, ground, managed medical transportation and community, industrial/specialty and wildland fire services. Each of our companies have long histories of proudly serving the communities where we live: AMR, Rural Metro Fire, Air Evac Lifeteam, REACH Air Medical Services, Med-Trans Corporation and AirMed International.

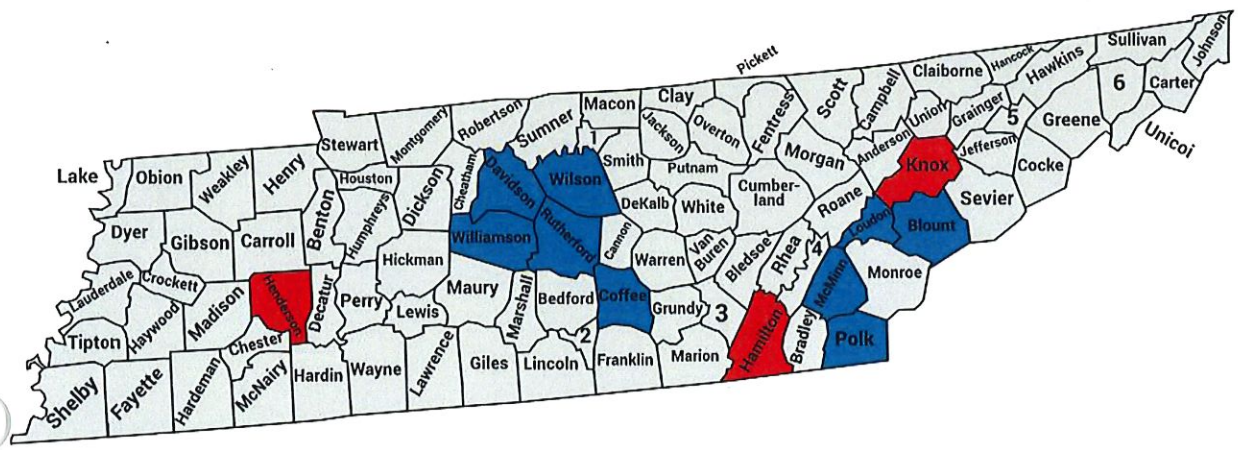
Combined with our subsidiaries companies we have completed 13 million patient transports last year utilizing 7,000 ground vehicles, 111 fire vehicles, 306 rotor-wing aircraft and 106 fixed-wing aircraft. AMR, alone, completed nearly 5 million ground transports. We are the largest medical transport company in the world, focusing on intimate and high-service solutions at a local level. With the extensive resources and experience of GMR, we are able to work with our partners to develop integrated solutions to patient transportation that cover ground, helicopter and fixed-wing modalities.



7,000 GROUND VEHICLES | 306 ROTOR-WING AIRCRAFT | 106 FIXED-WING AIRCRAFT | 111 FIRE VEHICLES

## Local Provider

AMR/Lifeguard Ambulance Service have provided a long historical service to Spring Hill, TN providing exceptional clinical care to its citizens. AMR due to this relationship has to ability to not only meet the needs of this proposal but exceed them. This allows AMR to capitalize and continue to build on this much needed service as we are the current provider. We take extreme pride in the relationship with have in Spring Hill. This is a common culture for AMR. Over the years, AMR and our sister company Lifeguard has continued to expand our footprint throughout Tennessee, as we are committed to providing unmatched quality care and customer service excellence to the communities we serve.




1 Trousdale
2 Moore
3 Sequatchie
4 Meigs
5 Hamblen
6 Washington

LIFEGUARD AMBULANCE SERVICE — Lifeguard Ambulance Operations
AMR — AMR Operation

## Emergency Medical Services Contracts

Nationally, AMR has over 230 contracts throughout the United States. We have listed below our current 911 contracts throughout Tennessee. Additionally, no contracts have been terminated.

- Spring Hill, TN (Current Provider)
- Humphreys Co. TN
- Collierville, TN
- Knoxville, TN
- Blount Co., TN
- McMinn Co., TN

*f. Qualifications and experience of management and other personnel who will be used to carry out the services described in this RFP.*

## Qualified Management Team

AMR has an experience management team in place to ensure a continuation of service to the City of Spring Hill. The individuals who will lead our City of Spring Hill contract are knowledgeable leaders. They are committed to patient-centered decision making and to continuously improving the ambulance service for the citizens and visitors of the City of Spring Hill. Our qualified management team is listed below.

### Joshua Spencer, Regional Director

With 18 years of experience, Joshua Spencer has served in various clinical, leadership and management roles throughout the Southeast United States in the air and ground emergency medical services industry. In his current role as Regional Director for AMRs Southeast Region, Spencer has been instrumental in the implementation of best practices to drive operational performance of E-911, inter-facility transport, and integrated air/ground programs in Alabama, Kentucky, and Tennessee. A Kentucky native and nationally registered Paramedic, he is responsible for oversight of operations and communications centers across the region while working closely with government officials, healthcare partners, and key stakeholders in the EMS industry.

### Brittany Goebel, Operations Supervisor

Brittany Goebel, AMR Operation Supervisor, is responsible for the day to day operation of the current AMR Spring Hill operation. Having been with the company for 8 years serving in multiple roles including as a field clinician and leadership in both the interfacility and E-911 markets. She served as a field paramedic for 3 years in the City of Spring Hill before taking on the role of Operation Supervisor where she became an instrumental piece in making the Spring Hill operation what it is today. Brittany is responsible for not only day to day operations, she maintains relationships with our city partners including local hospitals, fire departments, and city officials. Brittany currently resides in the City of Spring Hill with her husband and 2 children. She is active in the community including volunteering at local schools and participating in sport activities with her children.

### Shaun Hale, Operations Director

Shaun Hale is a career professional with 34 years' experience within ground EMS and Air Medical operations. As a Nationally Registered Paramedic, Mr. Hale is a high performing leader with over 28 years in management and leadership roles in the industry among numerous states. Currently serving as a Director of Operation, Mr. Hale has oversight over multiple 911 and Interfacility operations, working with local ground and air providers, and building relationships with local partners, government officials, and customers. In addition, his duties include to assure that all operational systems with implementation, response, communications, and compliance are completed.

### Dr. Leland J. Lancaster Jr. M.D., AMR's Medical Director

Dr. Leland J. Lancaster Jr. M.D. (LCDR Ret. USNR) has worked in the field of EMS as both a Provider and Medical Director for over 30 years. He has served in multiple teaching and Advisory Capacities in E.M.S. and Fire including the Medical Director of Southeastern University's EMT and Paramedic School along with multiple Medical Director positions. Dr. Lancaster did his residency at the University of Alabama Birmingham in General and Orthopedic Surgery, and later after Critical Care Military and Fellowship training practiced as the Medical Director of UABs Critical Care Transport Program (Fixed Wing, Rotor Wing, and Ground) where he oversaw the transports of more than 25,000 critically ill and acutely injured patients in Alabama, the U.S., and International Medical Evacuations.

Dr. Lancaster has also been serving the EMS community for over 24 year as an EMT, Paramedic and Physician, and has been the Medical Director for Lifeguard/AMR Transport Services in the City of Spring Hill, TN for over 15 years and with Lifeguard for over 20 years. Dr. Lancaster also serves as the City of Spring Hill Fire Department's Medical Director. As the City of Hoover, Alabama's Fire Department Medical Director, he formed the first full time Tactical Physician Group, equipping the City Police SRT team and Patrol Officers with basic and advanced skills and equipment to be used immediately in wound and patient management. Shortly after the Columbine Shooting, he along with other leaders developed an "Active School Shooter Plan" for Schools, Fire, EMS, and Police to be coordinated and deliver care under emerging mass casualty incident scenarios. Modern plans were adopted from this early coordination of care in emerging mass casualties.

Dr. Lancaster is well published in the area of Acute Treatment and Prevention of Trauma, Critical Care, and EMS. He has served as a Fundamentals of Critical Care Support Provider/ Instructor/ and Course Director, along with Advanced Trauma Life Support Provider/Instructor for over 20 years. He has developed and published protocols in both the primary and secondary resuscitation of acutely injured patients and has served as a Site Survey Physician for CAAS (Commission on Accreditation of Ambulance Services. He continues to be a staunch advocate for the training of TACTICAL FIRST AID in the setting of Educational Institutions, Police, Fire, EMS, as well as the General Public.

*g. The Company's policies and procedures, including, but not limited to those related to the operations, staffing, management structure, physician input in operations, personnel policies, and employee supervision.*

## Management & Supervision

We believe that every member of our leadership team plays a key role in our quality management process. In the City of Spring Hill, this responsibility starts with Joshua Spencer, our Regional Director and Brittany Goebel, Operations Supervisor. As the key leaders for our City of Spring Hill operation, Joshua and Brittany support our clinical team, setting strategic direction alongside Dr. Leland Lancaster, AMR Medical Director, and City personnel.

The clinical team is led by Chris McLain, Regional Clinical Director. Mr. McLain is responsible for developing enhancements to our ongoing clinical education program that meet regulations and are responsive to changes in the local community. He operates under the oversight of Chris is Michael Arinder, Regional Director Clinical Services, and has constant access to AMR's Chief Medical Officer, Dr. Edward Racht. Using this unparalleled support network, system challenges and opportunities are identified, and custom training programs are developed to address both local and nationally evolving issues.

Our management staff and Field Supervisors are provided with the training and tools to monitor, evaluate, and improve the clinical care provided by paramedic and EMT personnel. Upon hire and consistently throughout employment, our supervisory team members for City of Spring Hill are provided with local professional development opportunities, often in collaboration with AMR regional leadership teams in neighboring counties. This provides them with both initial and ongoing education to our approach to field supervision and reinforces the key role our Field Supervisors play within the hierarchy of our management team.

Additionally, our City of Spring Hill supervisors are required to attend weekly local leadership meetings and remain in direct contact with other Field Supervisors in nearby AMR counties, who act as an ongoing professional network for them during daily operations.

To ensure our team is always prepared for any unforeseen event, all our supervisory personnel must successfully complete the ICS series 100, 200, 300 and 400, and NIMS series 700 and 800.

## *Physician Input in Operations*

AMR makes every effort to partner with leading physicians and clinicians focused on supporting the delivery of progressive patient care and continuous improvement throughout Tennessee. As in hospital and physician practices, all medicine and medical direction is provided locally.

Our Medical Director for the City of Spring Hill is Dr. Lancaster. He plays an active role in developing evidence-based protocols and focused training programs. This close collaboration with our clinical team results in the highest-quality clinical services and most up-to-date training, research, and field observations. Dr. Lancaster also works holistically with local hospitals, physicians, fire and EMS agencies, and other key members of the local medical community to support the system's standard of care. Working together with AMR, this team gains a powerful partner in the mission to identify and resolve any medical issues that may arise in the City of Spring Hill community.

### AMR Medicine

We are proud of the clinical care we provide in City of Spring Hill today. Monitoring our daily performance and learning from our mistakes has resulted in a high-quality EMS system that helps those in need. However, we have discovered that this is only half the battle.

After all, EMS is a practice of medicine. An important part of any medical practice is the ongoing commitment to the improvement of not just one patient, but all patients. Our goal is to improve the survivability of entire communities, all around the country, and it is from this effort that AMR Medicine was born.

AMR Medicine is not a brand, or a program, or a division. It is the conceptual foundation for the care we provide as part of the entire EMS system. It is the result of our collective efforts and expertise.

We care for a new patient every seven seconds in the US, each with a unique condition, background, and medical history. In partnership with leading academic and industry experts, we use this data to identify healthcare trends and brainstorm new ways to protect our communities. This collaborative effort to improve overall survivability is the essence of AMR Medicine, and our company culture at large.

As part of our commitment to collaboration, AMR works with our City of Spring Hill partners to deliver detailed scientific reports of system results. We will continue work to target populations at risk and continue our participation in advocacy and academic processes dedicated to improving the art and science of our emergency care.

## *Employee Policies*

Hundreds of AMR personnel live and work in Tennessee, providing dedicated care to our families, friends, and neighbors. AMR takes a stringent approach to ensuring that our caregivers are the best and brightest in the business.

### Recruitment

Our national footprint as an employer of EMS professionals has enabled our company to build a regional recruiting program designed to support local recruiting efforts by developing the largest possible pool of qualified candidates. The goal of our program is to identify and attract the best pre-hospital medical professionals for long-term employment.

Local strategies for the City of Spring Hill include the following:

- First and full consideration to incumbent EMTs and paramedics currently working within the City
- Employee referrals
- Relationships with local and national EMS training programs
- Internet advertisements on AMR and industry websites
- Exhibit booths at industry conferences, symposiums, and job fairs
- Partnerships with local educational institutions and fire organizations to provide clinical internships for EMT and paramedic training programs

### Hiring and Selection Process

Our field personnel undergo an extensive screening process to verify that they comply with current licensure requirements and will provide the highest level of quality patient care and skills as appropriate based upon their level of certification. To be considered for employment with AMR, candidates must fill out an application and provide proof of current EMT certification and/or paramedic licensure, current CPR certification, immunization history, and current ACLS certification for paramedics.

Candidates for employment will follow a standardized multi-step process that includes the following:

- Written test
- Practical skills assessment
- Oral interview
- Reference and background checks, including criminal, employment, education and DMV record check, along with review of each applicant's credentials and references

- Realistic physical agility evaluation under the direction of a licensed Physical or Occupational Therapist
- Drug Screening

A bonded outside agency performs a criminal record and sexual and child abuse background check as part of the screening process for all our applicants. We also screen to identify any applicant who the federal government has debarred from participating in a Medicare-funded enterprise.

We mandate strict adherence to a very comprehensive substance abuse prevention policy which will in turn reduce the likelihood of employee substance abuse or diversion issues. This mandate promotes a safer environment for our employees, patients, and the public. All individuals who receive a job offer from us must complete a post-offer/pre-placement drug test.

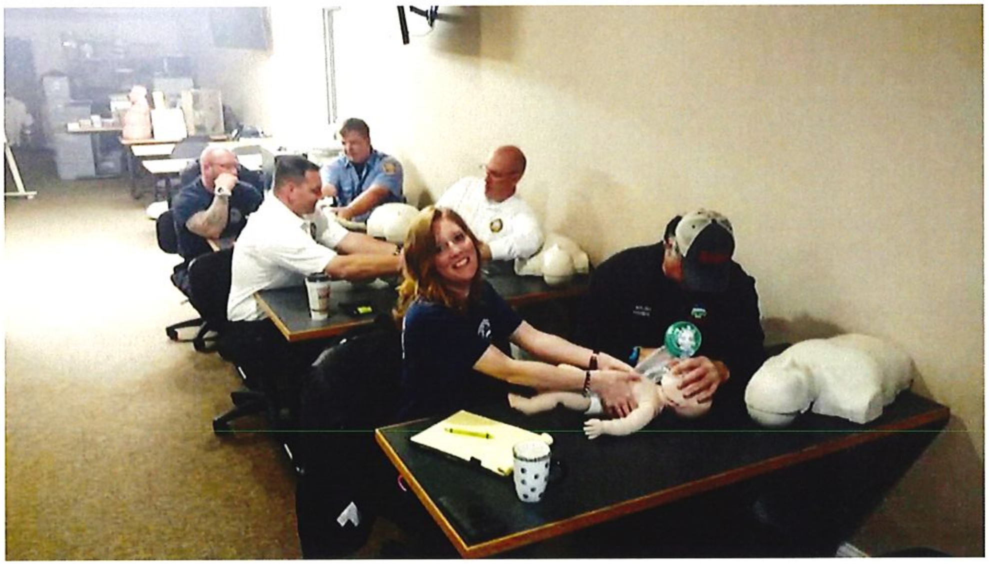
Our employees are required to maintain their certifications as a condition of employment. Field employees are required to complete training in the Incident Command Structure (ICS), specifically the ICS-100, 200, 700, and 800 courses. We closely track certification and re-certification requirements. Our tracking process enables us to adequately plan and conduct continuing education courses that meet the State of Tennessee requirements. It also helps us to notify our employees well in advance of certification expiration. We provide monthly updates to all our employees regarding the status of their licenses and certifications.

## Training

Once selected to serve as part of our team, each new employee undergoes a comprehensive orientation program, which includes approximately 7 days of classroom and hands-on instruction in service and clinical excellence. This instruction includes AMR policies and procedures, local protocols, and legal and compliance issues as well as specialized safety and risk management and disaster training.

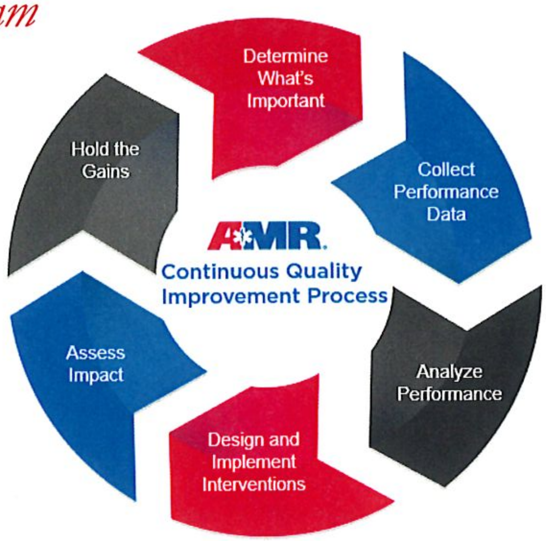
Candidates gain knowledge and a full understanding of their job requirements, the equipment they will be using, methods of safe practice, and performance expectations. The orientation class provides the environment for the new employee to learn about the structure of the local EMS system and how they fit into the structure.

We also provide regular in-service training and continuing education courses for our employees. Our program allows our dedicated employees to stay abreast of the advancing medical literature and maintain the clinical skills they need to provide superior patient care as the local EMS system evolves.



| *h. Quality control measures employed.*

# *Continuous Quality Improvement (CQI) Program*




We have developed a robust quality management system throughout Tennessee, built on the belief that we can improve what we measure and monitor. Our Continuous Quality Improvement ("CQI") program tracks performance in all key areas of our operation, identifies prospects for improvement, and determines the impact of improvement initiatives.

Our multifaceted approach to CQI includes the following:

- Clinical Education Services ("CES") personnel, responsible for identifying and developing training methods to implement new procedures, improve performance, and address identified individual training needs while supporting the Medical Director and system protocols
- A team of Field Training Officers ("FTO") to help maintain performance standards, conduct training programs, monitor performance in the field, and participate in peer review audits
- A stringent screening program for new employees, careful review of equipment needs, and physician-approved protocols
- A comprehensive orientation academy that is followed by FTO-facilitated field training, evaluation, & continued mentorship, as well as in-house continuing education programs
- Monitoring, coaching, and feedback by FTOs, Field Supervisors, and Clinical Education personnel
- Electronic patient care reporting ("ePCR") software that allows unprecedented access to data and provides reports in real-time, making a patient's vital signs, EKG readings, and pharmacological interventions available while still en-route to the hospital or immediately upon arrival
- Retrospective analysis of clinical performance, patient care reports, and Key Performance Indicators ("KPI")
- Compliance with all relevant county, and city regulations
- Utilization of the Plan-Do-Study-Act cycle, a proven framework for reviewing and responding to opportunities for improvement (the Plan step involves identifying the goal for improvement; the Do step tests the intervention proposed and measures the results; the Study step compares the actual results of the intervention with those that were expected, letting us learn whether or not the test had desired results; and the Act step responds quickly after the study step)

### Full Integration of Continuous Quality Improvement

We integrate quality and performance improvement functions throughout our operations. The principles of systems/statistical thinking and the practices of measuring key performance indicators (KPIs) are hardwired into all aspects of our leadership approach.

To ensure that our CQI Program covers all aspects of our operation, we not only monitor our response-time performance but also monitor and report on the following key areas:

- Communications Center - Call-taking times, dispatching times, accuracy of data recording, and proper positioning of resources between calls
- Clinical - The clinical care provided to patients through ongoing review of 30 - 35 data elements, plus additional data points identified for ad hoc analyses
- Customer Satisfaction - Assessment of our performance from the perspective of patients and their families
- Human Resources - Everything related to producing and maintaining a satisfied, competent team of EMS professionals
- Fleet - Our ambulances and other vehicles
- Safety - The systems, policies, and practices to ensure safety for the people we serve, our crews, public safety partners, and the community
- Finance - The ability to provide a sustainable infrastructure to support our operation

*i. Record keeping procedures.*

AMR has a transparent process of routinely reporting and reviewing performance with our clients. We understand that in order to build a solid client partnership, the integrity and the reliability of the data is central. Our leadership team will work proactively and collaboratively with City and fire department stakeholders to address details of our service and swiftly resolve any operational, clinical, or personnel challenges that may arise.

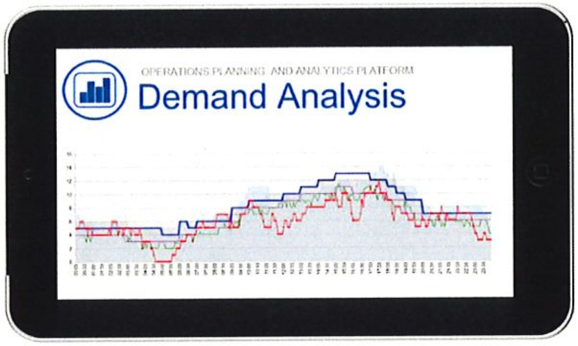
## *Electronic Patient Care Reporting*

To ensure total transparency into our operation, we utilize Multi-EMS Data System ("MEDS") electronic patient care reporting ("ePCR") software. Our system has been tested strenuously over the past several years, and we have developed considerable expertise organization-wide in its upkeep and maintenance. The system is well-understood and supported throughout our company and troubleshooting assistance is available with one phone call if needed.


Field personnel input patient care data into MEDS using state-of-the-art ruggedized laptops or tablets, making patient data collection, reporting, and transmittal to billing and receiving facilities 100% paperless. The data collected by MEDS is used by us and our local fire partners to make fact-based decisions on operation performance, clinical protocols, and treatment. The NEMSIS-certified platform interconnects multiple systems, including ePCR, clinical data, billing information, reporting, data mapping, and analysis. Unique characteristics of MEDS include the following:

- Local control of screen changes to meet local requirements and real-time changes to field devices
- Ability to deliver expanded communication and reference material to caregivers in the field, including electronic "quick references" for clinical protocols, medication dosage calculators, and other training material, which is accessible during down-time
- Front- and back-end business rule configuration to increase accuracy of Physician Certification Statement ("PCS") documentation
- Compilation of clinical data into a data warehouse that facilitates research and study of millions of annual patient care encounters
- Ability to print legible PCRs at the receiving hospital in accordance with DSHS standards
- A real-time CAD interface and updates throughout the call
- The ability to auto-populate fields by pulling data from our billing system for transported patients
- The elimination of redundant entry of PCR data into a billing application
- Ability to integrate data from our cardiac monitor/defibrillators into the ePCR

## Operations Planning and Analytics




Our Operations Planning and Analytics Platform ("OPAP") allows us to track system concerns in real-time, creating immediate solutions through improvement processes and technologies. OPAP will ensure we are continuously meeting and exceeding the needs of the City of Spring Hill, as well as generate on-demand reports.

Opap was built by our organization after years of extensive review of deployment best practices, with the validation of a third-party consulting firm. Supported by a team of experienced CAD data managers, information technology programmers, and reporting analysts, the platform imports data directly from our local CAD system and is customized to local community response-time criteria through the development of business rules. With OPAP, AMR produces real-time system demand charting at the press of a button, any time, any day. AMR uses this data to adjust schedules, resources, or posting.


## Preventing Service Interruption

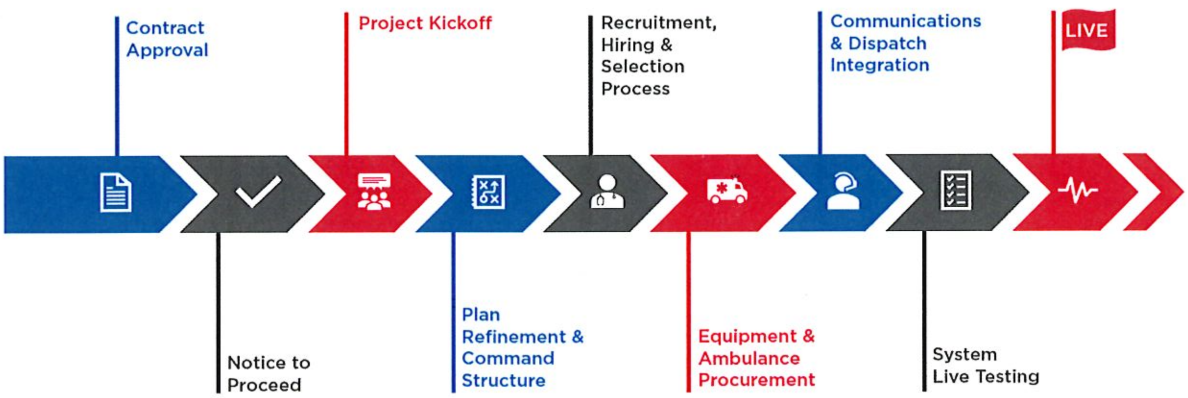
OPAP allows us to detect sudden short-term changes so that our management team can react quickly to close the gaps. With today's technology, an insightful demand analysis is available with just a few "clicks" of a computer mouse. With the program's ability to store and recall years of system data, we compare current trends against historical patterns to identify seasonal call volume trends. In the event demand temporarily exceeds the available resources, AMR has a variety of methods in place to ensure services to City of Spring Hill are not interrupted. This includes requesting mutual aid support, paging off-duty personnel, and/or adding additional units. **In the event of service interruption, AMR will produce a report describing the situation of the event, background of the system leading up to the event, the assessment of the cause, and a recommendation for reducing or eliminating a similar event in the future.** The report will be submitted to the City of Spring Hill as part of our regular operational reporting.

j. *Timetable for taking over operation of Ambulance Service.*

## *Dedicated to the City of Spring Hill*

As the incumbent provider, AMR is uniquely poised to continue service without interruption or delay. We can achieve major goals quickly and allocate time to review and test all existing processes as well as implement any enhancements as needed to ensure completion for contract go-live.

AMR can begin providing the services described in the RFP on the first day of service. While AMR is the current provider of the services under the current contract, we will still go through a full implementation process to ensure complete readiness and compliance with the new terms of the contract. This will also serve as a readiness, check point in our partnership and gives the City of Spring Hill the assurance that the intent of this RFP process is honored and implemented as desired. The graphic depicted below summarizes our implementation plan for the City of Spring Hill.




The City of Spring Hill benefits from AMR's experienced implementation team, which will apply direct knowledge of the City and the existing program to transition to the new contract's operational deliverables.

A continued partnership with AMR means avoiding the potential risk involved in beginning a new process of implementation and start-up with an untested EMS provider. Becoming an EMS provider and partner requires considerable organizational, financial, and managerial support. AMR is again able to provide this depth of investment in City of Spring Hill and offer quality and reliable services to citizens and guests. We want to continue the foundation of fiscal sustainability, program efficiency, appropriate and sound delivery of care models, and quality-focused administration of the services we have built over the years of our current partnership.

Our history with the City of Spring Hill provides our team with insights into local patient trends, stakeholder needs, required reporting, and overall use of services.

*k. Proof of insurance coverage.*

## Insurance

AMR maintains insurance that is significantly higher than other providers in the emergency medical services industry. There are several layers of excess insurance for professional liability, auto liability and general liability reaching into the high eight figures for various lines. We have provided our proof of insurance as Attachment No. 1.

*l. Bank references and other customer references.*

## Bank Reference

Bank of America
Global Commercial Banking
901 Main Street, 10th Floor | Dallas, Texas 75202
Contact: Perry B. Stephenson
214.209.0913 | perry.b.stephenson@baml.com

# *Trade Reference*

REV Ambulance Group
165 American Way | Jefferson, NC 28640
Contact: Greg Warmuth

# *Customer References*

We currently provide EMS services to City of Spring Hill. AMR has provided references of our customers similar in size and scope to the City of Spring Hill.

## Humphreys County, Tennessee

We perform and provide 911 ALS/BLS services throughout Humphreys County.

County Executive Jessie R. Wallace-Humphreys County 911-931-296-7795

## City of Collierville, Tennessee

We have provided 911 emergency services for the City of Collierville for years, maintaining all contractual requirements.

Deputy Chief Tommy Kelly - Collierville Fire Department - 901-860-1610

## Knox County, Tennessee

Similarly, AMR and Rural/Metro have provided 911 emergency services for Knox County, Tennessee for more than 30 years.

Larry Hutsell - Knox County Health Department - 865-215-5161

## Blount County, Tennessee

Through predecessor company Rural/Metro, AMR has provided 911 emergency services for Blount County, Tennessee for three decades.

Don Stallions - Blount County Government - 865-273-5772

## McMinn County, Tennessee

AMR performs 911 ALS/BLS services to the visitors and citizens of McMinn County.

County Mayor John M. Gentry- McMinn County Fire and EMS- 423-745-7634

*m. Financial statements or other documentation which would assure the City that the company will be in business during Agreement period.*

# *Financial Stability*

AMR is financial healthy and stable company. AMR has the proven track record of having the necessary working capital and credit facilities to both fulfill the obligations which this RFP requires, as well as, safely service the residents of the City of Spring Hill. We have provided our audited financial statements as Attachment No. 2.

*n. Copies of all written complaints made against the company within the past year, together with an explanation of their resolution.*

Over the years and in the ordinary course of business, AMR has been involved in litigation and have had claims made against it, principally relating to professional liability, auto accident and workers compensation claims. As of the date of this submission, we believe there is no outstanding or pending litigation that would affect our ability to materially perform the requirements of the RFP. At this time, we believe that any pending litigation or claims that may be asserted against us are without merit and/or adequately provided for by insurance or reserves and will not have a material effect on the operations or the services that we would provide under this RFP. Additionally, AMR maintains insurance that is significantly higher than other providers in the emergency medical services industry. There are several layers of excess insurance for professional liability, auto liability and general liability reaching into the high eight figures for various lines. We have listed below our current litigation history.

| Legal Entity | Claim Number* | Claim Status | Date | Description | Unit Name | State |
|---|---|---|---|---|---|---|
| AMR of Tennessee | AMR-18-411728 | Open | 12/18/2018 | Professional Liability | Knox County Operations | TN |
| AMR of Tennessee | AMR-18-416558 | Open | 3/18/2019 | Professional Liability | Nashville - Operations | TN |

*o. Copy of current classification rating from the State of Tennessee.*

AMR is committed to maintaining an "A" classification rating for our City of Spring Hill EMS operation. AMR operates an ALS Service as directed under the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated.

*p. Copies of current licenses and permit.*

AMR has the licenses and permits to continue to meet needs of City of Spring Hill. We have provided copies of our license as Attachment No. 3.

*q. Name, address, and telephone number of the person with authority to bind the company and to answer questions or provide clarification concerning the company's proposal.*

Local Regional Director Joshua Spencer is authorized to bind the proposer and to answer questions or provide clarification concerning the proposal. Please see contact information below.

JOSHUA SPENCER
Regional Director, Southeast
American Medical Response
Lifeguard Ambulance Service
950 22nd Street North, Suite 800
Birmingham, AL 35203
W: 205.949.1789 | C: 850.499.5506
Joshua.Spencer2@amr.net

*r. Letter of intent to secure a $500,000 performance bond.*

7 November 2019

City of Spring Hill
199 Town Center Parkway
P.O. Box 789
Spring Hill, TN 37174

**RE: PERFORMANCE SECURITY LETTER OF INTENT – 2019 EMS REQUEST FOR PROPOSAL**

To Whom It May Concern:

On behalf of American Medical Response of Tennessee, Inc. ("AMR"), thank you for the opportunity to respond to the City of Spring Hill, Tennessee Request for Proposal ("RFP") for Emergency Ambulance Service.

We are able and willing to provide a $500,000 performance bond as required by the RFP. We look forward to continuing servicing the City of Spring Hill and its citizens.

Sincerely,

JOSHUA SPENCER
Regional Director, Southeast
American Medical Response
Lifeguard Ambulance Service
950 22nd Street North, Suite 800
Birmingham, AL 35203
W: 205.949.1789 | C: 850.499.5506
Joshua.Spencer2@amr.net

# 3. COST AND FEES.

*a. Provide the applicable itemized fees and/or subsidies, if required, included in the proposal for the services for each element of the scope of work.*

Annual subsidy is $551,687 with no escalation during the initial term of the agreement

*b. Explanation of any assumptions or constraints in the price proposal to perform the services.*

For this contract, AMR proposes (3) 24/7/365 ALS ambulances + (1) paramedic supervisor to provide 911 emergency response to the city of Spring Hill, TN at the minimum response time requirements.

Additionally, AMR provided an alternative model under in the Exceptions/Deviations section to meet the needs of the City of Spring Hill.

*c. Explanation of any additional charges or fees in the proposal.*

Not Applicable

# 4. EXPERIENCE OF THE RESPONDENT.

*A sufficient description of the experience and expertise of the proposer to show the proposer's capabilities should be included in the proposal. At a minimum, the description of the experience and expertise of the proposer should include, but not necessarily be limited to, the following:*

*a. A brief description of the history and mission of the proposer, including proposer's background and mission statement, the length of time the proposer has been in business, a description of the proposer's organizational structure and a description the proposer's customer composition.*

## A Robust Organization

AMR understands emergency medicine. We operate some of the most successful, high-performance EMS systems in the world, including right here in City of Spring Hill. Our customers include city and county municipalities, large healthcare systems, individuals, and private organizations. Alongside our local partners, we have led the way as the industry adapts to an ever-changing healthcare environment.

American Medical Response of Tennessee, Inc., the bidding entity for this contract, was incorporated in June 1996. We are a wholly owned subsidiary of American Medical Response, Inc., which was founded in 1992 when several well-established regional ambulance providers consolidated into a single company.

Both American Medical Response of Tennessee, Inc. and American Medical Response, Inc. are ultimately owned by Global Medical Response, a privately held corporation.

# True Mission, Clear Values

Our dedication to quality and integrity is reflected throughout our organization. The partnership that we build with our clients is distinctive in the industry, as is the level of service we provide. Our mission is providing care to the world at a moment's notice and is at the heart of everything we do. Our Guiding Principles direct our actions in everything we do.

We align our training, initiatives, metrics, and rewards so that everyone has the tools to succeed in his or her role and then we hold each person accountable for his or her part of the mission and plan. AMR's corporate culture encourages frequent dialog between management and field employees to achieve our mission, promote our values, celebrate our successes, and learn and grow from our shared experiences.

**Guiding Principles**

- **PATIENT CARE**
  We continually earn the privilege to care for our patients. It is at the forefront of everything we do.
- **ONE TEAM**
  We respect each other and achieve together what no individual can alone.
- **INNOVATION**
  We are driven to develop solutions that inspire progress.
- **VIGILANCE**
  We will never waver in our commitment to safety and preparedness in the fulfillment of our duties.
- **OWNERSHIP**
  We are accountable for what we do and take pride in how we do it.
- **CITIZENSHIP**
  We are dedicated to being good stewards in the communities we serve.

*b. A statement of how long the proposer has provided services similar to the scope of services contained herein.*

On a national scale, AMR and our predecessor companies have been providing services to some communities for nearly a century. American Medical Response of Tennessee, Inc., the bidding entity for this contract, was incorporated in June 1996. AMR became the premier emergency provider in City of Spring Hill through the existing Lifeguard contract last year.

*c. A general description of the proposer's experience and background in providing services similar to the services requested herein.*

Nationally, AMR maintains more than 5,000 client relationships, with a customer base that includes hospitals, individuals, communities, health plans, managed care organizations, medical groups, and skilled nursing facilities, as well as city, county, state, and federal government agencies like City of Spring Hill. We are honored to have provided quality and innovative medical transport services to many nationwide communities, working with medical policymakers, public safety agencies, fire departments, local residents, and community groups to ensure exemplary levels of patient care and customer service in a fiscally responsible and cooperative manner.

In recent years, AMR has built an increasingly robust footprint across Tennessee, providing 911 emergency and/or non-emergency transportation for Spring Hill, Humphreys, Collierville, Knoxville, Blount, McMinn counties. Other Tennessee customers include large hospital systems and agencies that contract with us to provide services under stringent response time criteria.

*d. Any other relevant information about the experience and knowledge base of the proposer which is deemed to be material.*

## National Strength

AMR is nationally headquartered in Greenwood Village, Colorado and provides 9-1-1 services to thousands of cities and counties across the United States. AMR has over 230 performance-based 911 contracts nationally, nearly 60 of which serve populations greater than 100,000 citizens. Supporting these communities is a staff of more than 38,000 personnel and a fleet of over 7,000 vehicles.

## Regional Support

In neighboring Georgia, we are currently the emergency 911 provider for DeKalb County, Coweta County, and Troup County. Similar, AMR covers more than 27 counties throughout Mississippi. This extensive regional footprint gives our company unmatched strength and expertise, as well as the ability to lead the industry in new technologies and innovative practices.

*e. Resume of each management or leadership level employee engaged in the services to be provided to the City of Spring Hill, including the roles of each and an overview of their previous experience with similar services.*

We have provided resumes our our dedicated management team as Attachment No. 4.

# 5. REFERENCES.

*References of the proposer, including at least three (3) other municipalities or counties for whom the proposer has provided services similar to the services (with preference given to clients comparable to Spring Hill) and, for each reference, the name, contact person, title of contact person, and contact information including telephone and email address.*

We manage some of the most successful EMS systems in the country, and our presence is growing throughout Tennessee. Alongside our local partners, we lead the way as the industry adapts to an ever-changing healthcare environment. AMR has provided contact information of some of our current similar clients below.

## Humphreys County, Tennessee

We perform and provide 911 ALS/BLS services throughout Humphreys County.

County Executive Jessie R. Wallace-Humphreys County 911-931-296-7795

## City of Collierville, Tennessee

We have provided 911 emergency services for the City of Collierville for years, maintaining all contractual requirements.

Deputy Chief Tommy Kelly - Collierville Fire Department - 901-860-1610

## Knox County, Tennessee

Similarly, AMR and Rural/Metro have provided 911 emergency services for Knox County, Tennessee for more than 30 years.

Larry Hutsell - Knox County Health Department - 865-215-5161

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Don Stallions - Blount County Government - 865-273-5772

## McMinn County, Tennessee

AMR performs 911 ALS/BLS services to the visitors and citizens of McMinn County.

County Mayor John M. Gentry- McMinn County Fire and EMS- 423-745-7634

# 6. ADDITIONAL INFORMATION.

*a. A description of any other resources available to the Proposer that will be useful in providing emergency ambulance services to the City.*

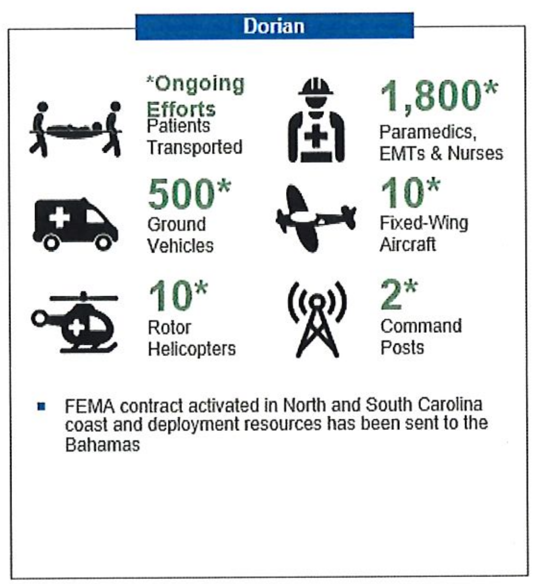
## Disaster Support

We are the nation's most experienced and best-prepared provider of emergency evacuations and disaster support. No other provider can match the expertise of being the prime contractor with the Federal Emergency Management Agency (FEMA) to provide ground ambulance, air ambulance, paratransit services and non-ambulance EMS personnel to supplement the federal and military response to a disaster, act of terrorism or any other public health emergency. This contract covers 48 states. We work in conjunction with state and local governments in those areas to assist in patient care, evacuation-related functions and any necessary emergency medical services required. Some our recent deployment efforts are listed below and on the following page.

### 2019 Deployment – Hurricane Dorian

Category 5 Hurricane Dorian devastated much of the country recently. On August 30, GMR activated its National Command Center (NATCOM) in Dallas and deployed nearly 1,800 ground and air paramedics, nurses and EMTs, hundreds of ambulances, 10 fixed wing and rotor aircraft and dozens of paratransit teams and vehicles. This was in response to FEMA's request for EMS deployment for Hurricane Dorian. GMR still has air and ground assets positioned in South Carolina.

Additionally, GMR has pledged to provide $1 million in relief aid to support the Bahamas' emergency medical needs and infrastructure after the devasting hurricane. We immediately sent $250,000 to the Red Cross for Bahamian aid and is sending ambulances and equipment that will be donated to local authorities.

## 2018 Deployment - Hurricane Florence

Hurricane Florence was a powerful and long-lived Cape Verde hurricane that caused catastrophic damage in the Carolinas in September 2018, primarily as a result of freshwater flooding. Florence dropped a maximum total of 35.93 inches of rain in Elizabethtown, North Carolina, becoming the wettest tropical cyclone recorded in the Carolinas, and also the eighth-wettest overall in the contiguous United States. An unexpected bout of rapid intensification ensued on September 4-5, culminating with Florence becoming a Category 4 major hurricane on the Saffir-Simpson scale, with estimated maximum sustained winds of 130 mph. Federal EMS resources were deployed to four states: Georgia, Virginia, North Carolina and South Carolina.





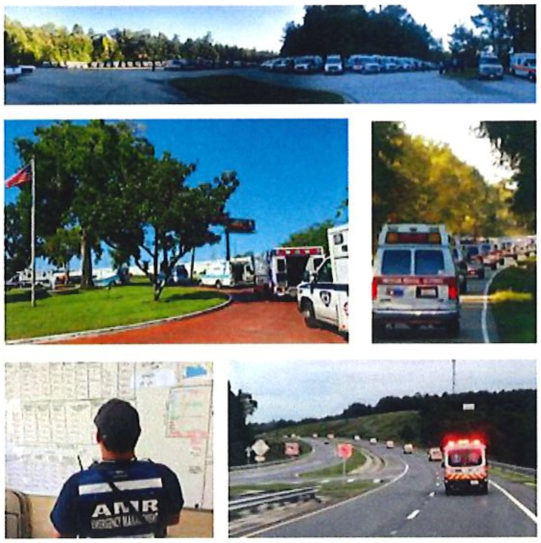

**Florence**

- **788** Patients Transported
- **1,442** Paramedics, EMTs & Nurses
- **751** Ground Vehicles
- **5** Fixed-Wing Aircraft
- **25** Rotor Helicopters
- **5** Command Posts

- FEMA contract activated in North and South Carolina for 19 days during Hurricane Florence.

## 2018 Deployment - Hurricane Michael

Hurricane Michael was the third-most intense Atlantic hurricane to make landfall in the United States in terms of pressure, behind the 1935 Labor Day hurricane and Hurricane Camille of 1969, as well as the strongest storm in terms of maximum sustained wind speed to strike the contiguous United States since Andrew in 1992. In addition, it was the strongest storm on record in the Florida Panhandle, and was the fourth strongest landfalling hurricane in the contiguous United States, in terms of wind speed. Michael attained peak winds of 155 mph as it made landfall near Mexico Beach, Florida, on October 10, becoming the first to do so in the region as a Category 4 hurricane, and making landfall as the strongest storm of the season. At least 57 deaths in the US are attributed to Michael. Federal EMS assets were assigned to Florida and Georgia. In Florida, we provided 911 support services to 3 counties and community patient assessment services to 13 counties.



**Michael**

**4,817** Patients Transported

**1,066** Paramedics, EMTs & Nurses

**613** Ground Vehicles

**1** Baby Delivered

**2** Rotor Helicopters

**4** Command Posts

- FEMA contract activated in Florida on October 10, 2018. We are currently still on deployment.
- Stats are current as of October 19

## Rotor Wing and Fixed Wing Air Services

Through our sister companies we can arrange both domestic and international fixed- wing air ambulance and short distance helicopter medical services. All flights are staffed by highly qualified and experienced medical crews. Flight physicians can also be provided. The program is accredited by the Commission on Accreditation of Medical Transport Systems (CAMTS) and has contracts with most major insurance companies as well as many smaller regional health plans.

## Community Education Initiatives

AMR will continue to work with the city to develop local awareness campaigns focused on educating the community for specific health conditions such as breast cancer awareness, CPR education, and heart health. AMR takes pride in its focus on capturing and analyzing local health and safety data and collaborating with local stakeholders to develop community education programs targeted at identified local needs.

One prominent example is our commitment to bystander CPR. Prevailing research has shown that if more adults were trained in CPR, more people would survive incidents of cardiac arrest. AMR saw that as a challenge, and on May 22, 2013, 140 national operations—and two international operations in India and Trinidad and Tobago—hosted the first annual AMR World CPR Challenge. The goal of the first annual event was to train as many people as possible in compression-only CPR in one day. AMR teams trained more than 54,000 people, provided training in small groups or by the thousands. As to date, we have trained over 391,710 participants in hands-only CPR.

# Event Medical Standby


No other EMS provider in the United States approaches the level of experience and resources in providing site-based event medical standby services than AMR. We have proudly provided exemplary EMS prehospital care for decades, partnering with a wide range of clients throughout Tennessee and across the United States.

From NFL Stadiums and Super Bowls to fairs, parades and other local gatherings, our partners have trusted AMR to deliver quality emergency medical care for their special events.

We pledge to continue to provide coverage and participate in City and first responder events, such as open houses, health fairs, parades, fitness challenges, speaking events, public screenings, sports events, and more.

*b. A description of the methods used by the proposer to measure the satisfaction of its clients.*

# Emergency Medical Services Advisory Council (EMSAC) Meeting

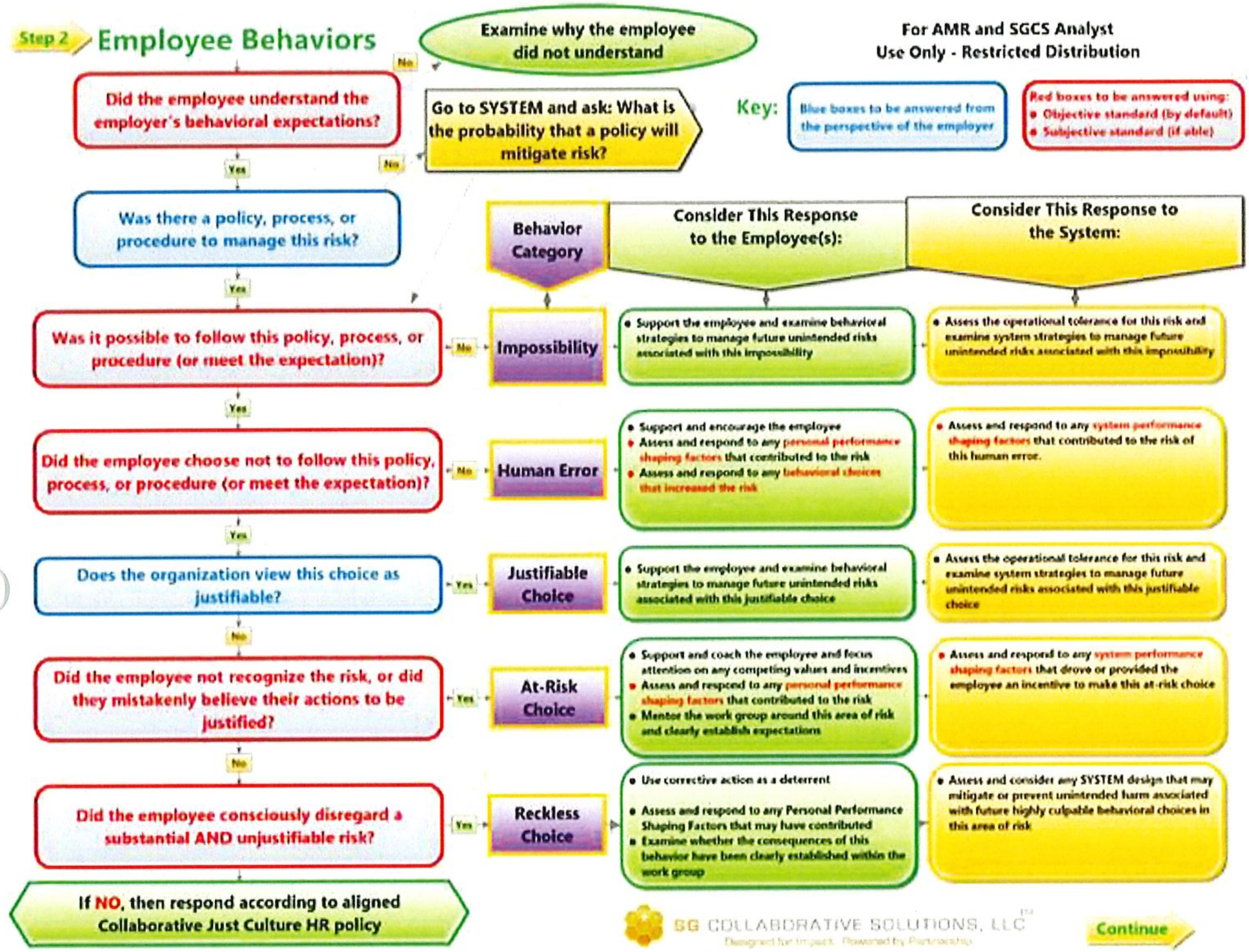
For over 2 years, AMR has met with and been active participants in monthly EMSAC meetings. EMSAC manages and oversees any complaints or compliance issues. We work with EMSAC to ensure patient satisfaction and compliance are being met. AMR is committed to excellent patient care with optimized customer service, we will handle all issues in a timely manner ensuring a complete resolution for positive patient satisfaction.

# Just Culture

Our operations have obtained a high level of success by creating a culture that ensures mistakes are rectified and lessons are learned for the benefit of the patient and our caregivers. All too often in healthcare, mistakes are blamed on the individual when it is the system that is at fault. Instead, we embrace a non-punitive environment for caregivers to share issues to streamline processes and improve quality of care. This is known as Just Culture. The Just Culture system helps achieve impeccable service standards by preemptively avoiding future "near misses" and fostering a transparent culture. At AMR, employees can feel free to share mistakes or what is perceived to be a flaw in a protocol. This model strives to create an open, fair, and just company culture; create a culture of learning and improvement; and design safe systems and manage behavioral choices.

In the years ahead, AMR will continue to implement this model, where caregivers are taught how to recognize that mistakes are made and how to report these mistakes, in addition to having them remedied, in a non-punitive setting. This approach to improvement clearly focuses on identifying issues in an overall system setting and putting into place the required education and processes to provide solutions. This has become integral to our improvement model, not only in the area of patient satisfaction, but in all elements of our operation. The

Just Culture process for analyzing and responding to employee-related behaviors is illustrated below.



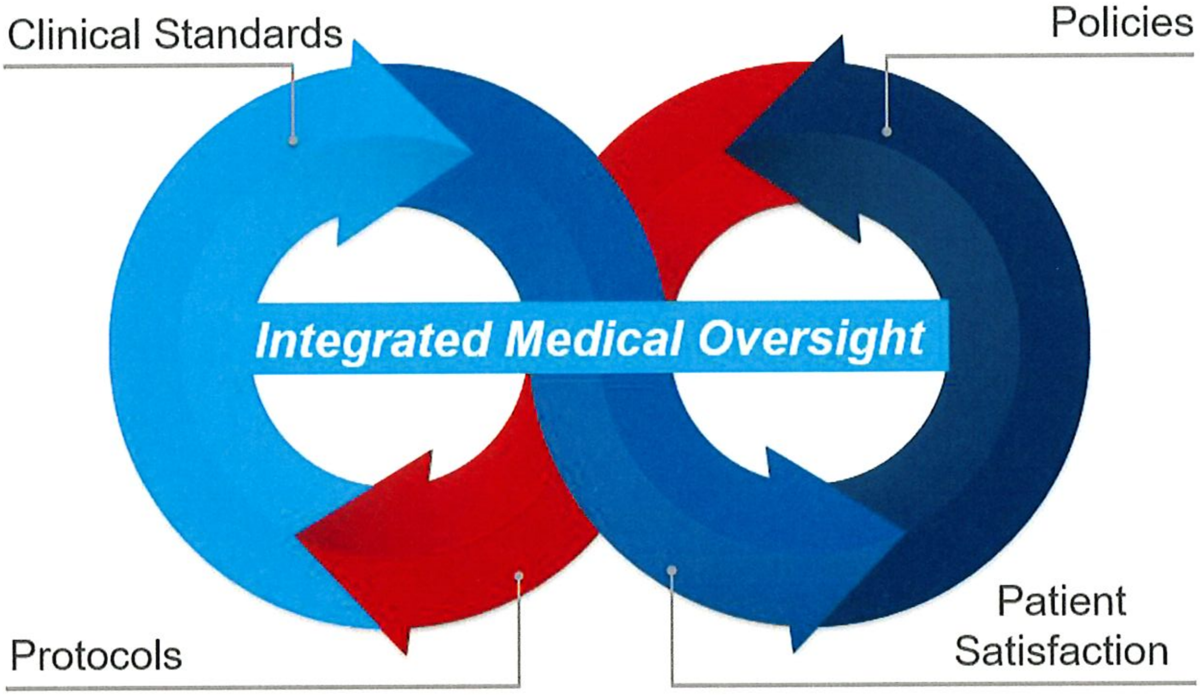
*c. Any other relevant information about the capabilities of the proposer deemed to be material.*

## Investing in New Radio System


Early this year, AMR made approximately $100,000 investment to the radio system to ensure compliance with Williamson County and their dispatch due to the recent 911 dispatch contracted services from the City of Spring Hill. We also installed our ambulances with Windows based Mobile Data Terminals (MDT). MDTs allow AMR field personnel to instantly communicate important updates directly from their ambulance. This technology provides AMR better knowledge on how to deploy and position our resources.

## Integrated Medical Oversight

AMR utilizes Dr. Dr. Leland J. Lancaster Jr. M.D. as our Medical Director. Dr. Lancaster is also the Medical Director for the City of Sprig Hill Fire Department and Maury ECOM. Utilizing the same Medical Director assures adherence to the highest clinical standards by aligning protocols, clinical treatment policies, and guidelines to meet patient care initiatives.



# EXCEPTIONS/DEVIATIONS

*State any exceptions to or deviations from the requirements of this RFP, segregating "technical" exceptions from "contractual" exceptions. Where Proposer(s) wishes to propose alternative approaches to meeting the City's technical or contractual requirements, these should be thoroughly explained.*

## *Proposal Option*

AMR understands the importance of balancing costs in today's ever-changing healthcare environment. We will agree to work with City of Spring Hill officials to evaluate and possibly reduce subsidy based on actual volume. AMR looks forward to discussing this option in further detail to ensure we can reduce efficiencies and create a cost savings to the City whenever possible.

# ATTACHMENTS

Attachment No. 1 Proof of Insurance

Attachment No. 2 Audited Financial Statements 2014,2015,2016,2017, and 2018

Attachment No. 3 EMS License 2019-2020

Attachment No. 4 Resumes

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 3/28/2019

**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 have ADDITIONAL INSURED provisions or 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**
Woodruff-Sawyer & Co.
717 - 17th Street, Suite 1540
Denver CO 80202

CONTACT NAME:
PHONE (A/C, No, Ext): 800-675-4467 | FAX (A/C, No): 415-989-9923
E-MAIL ADDRESS:

| INSURER(S) AFFORDING COVERAGE | NAIC # |
|---|---|
| INSURER A : ACE American Insurance Company | 22667 |
| INSURER B : Lloyds of London - Beazley | |
| INSURER C : Indemnity Insurance Company of North America | 43575 |
| INSURER D : ACE Fire Underwriters Insurance Company | 20702 |
| INSURER E : | |
| INSURER F : | |

**INSURED** GLOBMED-02
AMERICAN MEDICAL RESPONSE, INC.
6363 S. FIDDLERS GREEN CIRCLE, 14TH FLOOR
GREENWOOD VILLAGE, CO 80111

**COVERAGES** **CERTIFICATE NUMBER:** 770463393 **REVISION NUMBER:**

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 | X COMMERCIAL GENERAL LIABILITY<br>CLAIMS-MADE X OCCUR<br>X SIR 250,000<br>GEN'L AGGREGATE LIMIT APPLIES PER: X POLICY PRO-JECT LOC<br>OTHER: | | | XSLG7123745A | 3/31/2019 | 3/31/2020 | EACH OCCURRENCE<br>DAMAGE TO RENTED PREMISES (Ea occurrence)<br>MED EXP (Any one person)<br>PERSONAL & ADV INJURY<br>GENERAL AGGREGATE<br>PRODUCTS - COMP/OP AGG | $ 2,750,000<br>$ 100,000<br>$<br>$ 2,750,000<br>$ 5,000,000<br>$ 2,750,000<br>$ |
| | AUTOMOBILE LIABILITY<br>X ANY AUTO<br>OWNED AUTOS ONLY / SCHEDULED AUTOS<br>HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY | | | ISAH25277090 | 3/31/2019 | 3/31/2020 | COMBINED SINGLE LIMIT (Ea accident)<br>BODILY INJURY (Per person)<br>BODILY INJURY (Per accident)<br>PROPERTY DAMAGE (Per accident) | $ 10,000,000<br>$<br>$<br>$<br>$ |
| B | X UMBRELLA LIAB X OCCUR<br>EXCESS LIAB CLAIMS-MADE<br>DED RETENTION $ | | | W1B173190401 | 3/31/2019 | 3/31/2020 | EACH OCCURRENCE<br>AGGREGATE | $ 10,000,000<br>$ 10,000,000<br>$ |
| A<br>C<br>D<br>A | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N<br>ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)<br>If yes, describe under DESCRIPTION OF OPERATIONS below | N/A | | WLRC65896187<br>WLRC65896229<br>SCFC65896266<br>WCUC65896308 | 3/31/2019<br>3/31/2019<br>3/31/2019<br>3/31/2019 | 3/31/2020<br>3/31/2020<br>3/31/2020<br>3/31/2020 | X PER STATUTE OTH-ER<br>E.L. EACH ACCIDENT<br>E.L. DISEASE - EA EMPLOYEE<br>E.L. DISEASE - POLICY LIMIT | <br>$ 1,000,000<br>$ 1,000,000<br>$ 1,000,000 |
| B | Medical Professional Liability<br>Claims Made | | | WB173190401 | 3/31/2019 | 3/31/2020 | EA OCC/GEN AGG<br>SIR | 10,000,000<br>3,000,000 |

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**
*$1,000,000 SIR APPLIES TO EXCESS WC POLICY NO. WCUC65896308
EVIDENCE OF COVERAGE FOR AMERICAN MEDICAL RESPONSE, INC.

**CERTIFICATE HOLDER**

American Medical Response, Inc.
6363 S. Fiddlers Green Circle, 14th Floor
Greenwood Village CO 80111

**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
Daniel Dionne

**AMR HoldCo Inc.**
**(a wholly-owned subsidiary of Envision Healthcare Corporation)**

**CONSOLIDATED FINANCIAL STATEMENTS WITH**
**INDEPENDENT AUDITORS' REPORT**
**FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014**

Building a better
working world

Ernst & Young, LLP
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370 17th Street
Denver, CO 80202

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Report of Independent Auditors

To the Board of Directors and Shareholders of AMR HoldCo Inc.

We have audited the accompanying consolidated financial statements of AMR HoldCo Inc., which comprise the consolidated balance sheets as of December 31, 2016 (Successor) and 2015 (Predecessor), and the related consolidated statements of operations, changes in equity and cash flows for the period from December 1, 2016 to December 31, 2016 (Successor), the period from January 1, 2016 to November 30, 2016 (Predecessor) and the for the years ended December 31, 2015 and 2014 (Predecessor), 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 financial statements in conformity 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 financial statements that are free of material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the consolidated financial position of AMR HoldCo Inc. at December 31, 2016 (Successor) and 2015 (Predecessor), and the consolidated results of its operations and its cash flows for the period from December 1, 2016 to December 31, 2016 (Successor), the period from January 1, 2016 to November 30, 2016 (Predecessor) and the for the years ended December 31, 2015 and 2014 (Predecessor), in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

June 21, 2017

# AMR HOLDCO INC.
## (a wholly-owned subsidiary of Envision Healthcare Corporation)

## CONSOLIDATED BALANCE SHEETS
(in thousands)

| | | December 31, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ | 14,629 | $ | 13,446 |
| Insurance receivable | | 70,002 | | 71,273 |
| Accounts receivable, net of allowance for uncollectibles [1] | | 412,412 | | 361,442 |
| Supplies inventory | | 37,870 | | 37,134 |
| Prepaid and other current assets | | 48,529 | | 33,974 |
| **Total current assets** | | **583,442** | | **517,269** |
| Property and equipment, net | | 293,376 | | 249,903 |
| Intangible assets, net | | 930,473 | | 419,085 |
| Goodwill | | 1,330,112 | | 1,269,971 |
| Other assets | | 27,484 | | 36,397 |
| **Total assets** | **$** | **3,164,887** | **$** | **2,492,625** |
| **LIABILITIES AND EQUITY** | | | | |
| Current liabilities: | | | | |
| Accounts payable | | 31,370 | | 37,476 |
| Accrued salaries and benefits | | 77,438 | | 70,404 |
| Other accrued liabilities | | 142,879 | | 131,100 |
| Current portion of capital lease obligations | | 485 | | 782 |
| **Total current liabilities** | | **252,172** | | **239,762** |
| Capital lease obligations | | 1,365 | | 1,857 |
| Deferred income taxes | | 310,391 | | 93,044 |
| Insurance reserves | | 87,635 | | 82,208 |
| Other long-term liabilities | | 38,444 | | 53,328 |
| **Total liabilities** | | **690,007** | | **470,199** |
| Commitments and contingencies | | | | |
| Equity: | | | | |
| Investment by Parent/ Prior Parent | | 2,471,404 | | 1,951,821 |
| Accumulated other comprehensive income (loss) | | 2 | | (1,139) |
| Retained earnings | | 3,474 | | 71,744 |
| **Total equity** | | **2,474,880** | | **2,022,426** |
| **Total liabilities and equity** | **$** | **3,164,887** | **$** | **2,492,625** |

[1] Effective with the Merger of the Prior Parent and Parent on December 1, 2016, accounts receivable were recorded at fair value (see Notes 1 and 3). As of December 31, 2016 and 2015, accounts receivable were net of allowance for uncollectibles of $68,828 and $368,132, respectively.

# AMR HOLDCO INC.
## (a wholly-owned subsidiary of Envision Healthcare Corporation)
## CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)

| | Successor | Predecessor | | |
|---|---|---|---|---|
| | One Month Ended December 31, 2016 | Eleven Months Ended November 30, 2016 | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Revenue | $ 266,372 | $ 2,814,418 | $ 2,412,698 | $ 2,078,578 |
| Provision for uncollectibles | (68,828) | (693,779) | (630,330) | (544,347) |
| Net revenue | 197,544 | 2,120,639 | 1,782,368 | 1,534,231 |
| Operating expenses: | | | | |
| Salaries and benefits | 114,702 | 1,231,433 | 996,252 | 898,058 |
| Supply costs | 4,779 | 51,291 | 42,960 | 35,405 |
| Insurance expense | 6,657 | 55,316 | 48,675 | 48,097 |
| Other operating expense | 49,552 | 574,609 | 486,447 | 384,338 |
| Transaction and integration costs | 3,744 | 50,083 | 11,196 | 7,029 |
| Depreciation and amortization | 12,290 | 119,520 | 85,648 | 76,545 |
| Total operating expenses | 191,724 | 2,082,252 | 1,671,178 | 1,449,472 |
| Equity in earnings of unconsolidated affiliates | 33 | 538 | 353 | 254 |
| Operating income | 5,853 | 38,925 | 111,543 | 85,013 |
| Interest expense, net | 7 | 1,844 | 1,418 | 1,615 |
| Other income (expense), net | — | 1 | (148) | 108 |
| Earnings from operations before income taxes | 5,846 | 37,082 | 109,977 | 83,506 |
| Income tax expense | 2,372 | 15,663 | 44,839 | 35,465 |
| **Net income** | $ 3,474 | $ 21,419 | $ 65,138 | $ 48,041 |
| Other comprehensive income (loss), net of tax: | | | | |
| Unrealized gains (losses) on derivative financial instruments | — | 1,504 | (843) | (1,317) |
| Defined benefit pension plan net gain | 2 | 682 | 601 | — |
| Total other comprehensive income (loss), net of tax | 2 | 2,186 | (242) | (1,317) |
| **Comprehensive income** | **$ 3,476** | **$ 23,605** | **$ 64,896** | **$ 46,724** |

**AMR HOLDCO INC.**
**(a wholly-owned subsidiary of Envision Healthcare Corporation)**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**
**(in thousands)**

| | Investment by Parent/ Prior Parent | Accumulated Other Comprehensive Income (Loss) | Retained Earnings | Total |
|---|---|---|---|---|
| **Balance at January 1, 2014 (Predecessor)** | **$ 1,354,309** | **$ 420** | **$ (41,435)** | **$ 1,313,294** |
| Equity-based compensation | 492 | — | — | 492 |
| Net working capital distributed to Prior Parent | (120,289) | — | — | (120,289) |
| Allocation of Prior Parent corporate overhead costs | 38,616 | — | — | 38,616 |
| Acquisitions funded by Prior Parent | 35,391 | — | — | 35,391 |
| Net income | — | — | 48,041 | 48,041 |
| Unrealized gains (losses) on derivative financial instruments | — | (1,317) | — | (1,317) |
| **Balance at December 31, 2014 (Predecessor)** | **$ 1,308,519** | **$ (897)** | **$ 6,606** | **$ 1,314,228** |
| Equity-based compensation | 818 | — | — | 818 |
| Net working capital distributed to Prior Parent | (96,520) | — | — | (96,520) |
| Allocation of Prior Parent corporate overhead costs | 42,404 | — | — | 42,404 |
| Acquisitions funded by Prior Parent | 696,600 | — | — | 696,600 |
| Net income | — | — | 65,138 | 65,138 |
| Unrealized gains (losses) on derivative financial instruments | — | (843) | — | (843) |
| Defined benefit pension plan net gain | — | 601 | — | 601 |
| **Balance at December 31, 2015 (Predecessor)** | **1,951,821** | **(1,139)** | **71,744** | **2,022,426** |
| Equity-based compensation | 2,626 | — | — | 2,626 |
| Net working capital distributed to Prior Parent | (60,449) | — | — | (60,449) |
| Allocation of Prior Parent corporate overhead costs | 42,880 | | | 42,880 |
| Acquisitions funded by Prior Parent | 35,404 | — | — | 35,404 |
| Net income | — | — | 21,419 | 21,419 |
| Unrealized gains (losses) on derivative financial instruments | — | 1,504 | — | 1,504 |
| Defined benefit pension plan net gain | — | 682 | — | 682 |
| **Predecessor balance prior to Merger on December 1, 2016** | **1,972,282** | **1,047** | **93,163** | **2,066,492** |
| Elimination of Predecessor equity in connection with the Merger | (1,972,282) | (1,047) | (93,163) | **(2,066,492)** |
| Successor opening equity | 2,456,703 | — | — | 2,456,703 |
| **Successor balance at December 1, 2016** | **2,456,703** | — | — | **2,456,703** |
| Equity-based compensation | 269 | — | — | 269 |
| Net working capital contributed by Parent | 10,092 | — | — | 10,092 |
| Allocation of Parent corporate overhead costs | 4,340 | — | — | 4,340 |
| Net income | — | — | 3,474 | 3,474 |
| Unrealized gains (losses) on derivative financial instruments | — | 2 | — | 2 |
| **Balance at December 31, 2016 (Successor)** | **$ 2,471,404** | **$ 2** | **$ 3,474** | **$ 2,474,880** |

## AMR HOLDCO INC.
## (a wholly-owned subsidiary of Envision Healthcare Corporation)

## CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Successor | Predecessor | | |
|---|---|---|---|---|
| | One Month Ended December 31, 2016 | Eleven Months Ended November 30, 2016 | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| **Cash flows from operating activities:** | | | | |
| Net income | $ 3,474 | $ 21,419 | $ 65,138 | $ 48,041 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 12,290 | 119,520 | 85,648 | 76,545 |
| Loss (gain) on disposal of property and equipment | (108) | (1,110) | 143 | (2,124) |
| Impairment of unconsolidated affiliate | — | 2,100 | — | — |
| Equity in earnings of unconsolidated affiliates | (33) | (538) | (353) | (254) |
| Dividends received | — | 909 | 370 | 432 |
| Deferred income taxes | 2,006 | 8,092 | 11,061 | 10,297 |
| Change in operating assets/liabilities, net of acquisitions: | | | | |
| Accounts receivable, net | (4,803) | (44,169) | (3,532) | (38,101) |
| Supplies inventory | 38 | (732) | (897) | (687) |
| Prepaid and other assets | (1,800) | (5,006) | (2,678) | 86,082 |
| Accounts payable and other accrued liabilities | (31,834) | 33,745 | (46,330) | 10,460 |
| Insurance reserves | 5,806 | (6,212) | 10,105 | (1,335) |
| Other assets and liabilities, net | (430) | (7,025) | 10,153 | (38,288) |
| **Net cash (used in) provided by operating activities** | **(15,394)** | **120,993** | **128,828** | **151,068** |
| **Cash flows from investing activities:** | | | | |
| Purchases of property and equipment | (11,093) | (117,371) | (72,545) | (58,116) |
| Proceeds from the sale of property and equipment | — | 3,297 | 538 | 2,426 |
| Acquisition of businesses, net of cash received | — | (35,404) | (696,600) | (35,391) |
| Net change in insurance receivable | (5,419) | 25,267 | 4,892 | (11,396) |
| Other investing activities | 71 | 1,863 | 1,240 | (140) |
| **Net cash used in investing activities** | **(16,441)** | **(122,348)** | **(762,475)** | **(102,617)** |
| **Cash flows from financing activities:** | | | | |
| Net working capital and overhead allocations contributed by and (distributed to) Prior Parent | — | 20,461 | 643,302 | (45,790) |
| Net working capital and overhead allocations contributed by and (distributed to) Parent | 14,701 | — | — | — |
| Other financing activities | (67) | (722) | (279) | (116) |
| **Net cash provided by (used in) financing activities** | **14,634** | **19,739** | **643,023** | **(45,906)** |
| (Decrease) increase in cash and cash equivalents | (17,201) | 18,384 | 9,376 | 2,545 |
| Cash and cash equivalents, beginning of period | 31,830 | 13,446 | 4,070 | 1,525 |
| **Cash and cash equivalents, end of period** | **$ 14,629** | **$ 31,830** | **$ 13,446** | **$ 4,070** |

# Notes to Consolidated Financial Statements

*(Dollars in thousands)*

## 1. Description of Business

AMR HoldCo Inc., along with its subsidiaries(collectively, "AMR" or the "Company") operates in 38 states and the District of Columbia, providing a full range of healthcare transportation services, including emergency ("911"), non-emergency, managed transportation, fire protection services, fixed-wing ambulance and disaster response. In addition, AMR operates 911 call and response services for large and small communities all across the United States, offers contracted medical staffing, and provides telephone triage, transportation dispatch and demand management services.

Prior to December 1, 2016, the Company was a wholly-owned subsidiary of Envision Healthcare Holdings, Inc. ("EHH" or "Prior Parent"). On December 1, 2016 (the "Merger Date"), EHH, Amsurg Corp. ("Amsurg") and a direct, wholly-owned subsidiary of Amsurg completed a multi-step merger (the "Merger") whereby the surviving combined company is Envision Healthcare Corporation ("EVHC" or "Parent"). Since December 1, 2016, the Company has been a wholly-owned subsidiary of EVHC.

As used herein, the term "Predecessor" refers to the Company prior to the Merger Date, while "Successor" refers to the Company subsequent to the Merger Date.

## 2. Summary of Accounting Policies

*Consolidation*

The consolidated financial statements of the Company include all of its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

EHH or EVHC allocated costs to AMR for a portion of its corporate overhead costs and any other costs relating to AMR that were paid under an agreement, policy or contract owned by EHH or EVHC.

A summary of allocated costs to AMR from EHH or EVHC follows (in thousands):

| | Successor | Predecessor | | |
|---|---|---|---|---|
| | One Month Ended December 31, 2016 | Eleven Months Ended November 30, 2016 | Year Ended December 31, 2015 | Year Ended December 31, 2014 |
| Salaries and benefits | $ 1,755 | $ 17,675 | $ 16,942 | $ 15,831 |
| General and administrative | 1,060 | 10,569 | 10,561 | 7,938 |
| Operating | 746 | 9,732 | 11,006 | 10,813 |
| Insurance | 111 | 1,192 | 1,139 | 1,057 |
| Depreciation | 668 | 3,712 | 2,756 | 2,977 |
| Total related party operating costs and expenses | $ 4,340 | $ 42,880 | $ 42,404 | $ 38,616 |

The allocation of salaries and benefits includes personnel in various shared corporate functions of EHH or EVHC, including: C-Suite, IT/Telecom, HR/Benefits, Legal, Communications, Purchasing, Accounting/Shared Services, Compliance, Internal Audit, and Tax. General & Administrative consists primarily of allocations for software licenses and maintenance, equipment rentals, travel costs for all shared functions, public relations, and recruiting. Operating expenses include outside legal, audit, tax, consulting, other professional fees, and rent for the shared corporate headquarters.

Corporate overhead costs were allocated to AMR using a methodology employed by EHH in recent years for all shared corporate functions. The charges for the shared corporate functions are based on the time devoted to each of EHH or EVHC operating division. Additionally, department managers develop allocation percentages for other cost groups, such as professional fees, consulting, travel, and all other G&A based on actual costs during the period. If possible for these cost categories, allocations are made on a specific-identification basis.

The consolidated financial statements of AMR may not include all actual expenses that would have been incurred and may not reflect AMR's combined results of operations, financial position, or cash flows had it been a stand-alone company during the periods presented. Actual costs that would have been incurred if AMR were a stand-alone company would depend on various factors, including organizational structure, capital structure, and strategic decisions made in various areas, such as information technology and infrastructure. Transactions resulting from shared corporate activities between AMR and EHH (or EVHC) are considered to be effectively settled for cash at the time the transaction is recorded. The net effect of settlement of these transactions is reflected in the accompanying consolidated statements of cash flows as a financing activity and in the accompanying consolidated balance sheets as a net investment from EHH or EVHC, respectively.

*Investment by Parent*

Investment by Parent, in the consolidated balance sheets represents the Company's cumulative investment from the Successor and Predecessor owners for the accumulation of

- Investments in AMR
- Net cash transfers to and from AMR
- Overhead cost allocations
- Transactions between the Successor and Predecessor owners and AMR
- Net cash transactions due to the owners centralized cash management.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions relating to the reporting of results of operations, financial condition and related disclosure of contingent assets and liabilities at the date of the financial statements including, but not limited to, estimates and assumptions for accounts receivable, insurance-related reserves and acquired or pushed-down intangible assets. Actual results may differ from those estimates under different assumptions or conditions.

*Cash and Cash Equivalents*

Cash and cash equivalents are comprised of demand deposits at banks and highly liquid investments with a maturity of three months or less at acquisition, and are recorded at cost, which approximates market value.

*Parts and Supplies Inventory*

Parts and supplies inventory is valued at cost, determined on a first in, first out basis. Durable medical supplies are capitalized as inventory and expensed as used. In connection with the application of purchase accounting related to the Merger, parts and supplies inventory at December 1, 2016 reflected their estimated fair value on the Merger Date.

*Recent Accounting Pronouncements*

AMR will implement the provisions of the following standards coinciding with EVHC, a public reporting entity.

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers," which will eliminate the transaction and industry-specific revenue recognition guidance under current GAAP and replace it with a principle-based approach using the following steps: identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the entity satisfies a performance obligation. In August 2015, the FASB issued ASU 2015-14 "Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date" which granted a one-year deferral of this ASU. In 2016, the FASB issued the following ASUs to provide entities further clarity on the application of ASU 2014-09:

- ASU 2016-08 "Principal versus Agent Considerations (Reporting Revenue Gross versus Net)"
- ASU 2016-10 "Identifying Performance Obligations and Licensing"
- ASU 2016-12 "Narrow-Scope Improvements and Practical Expedients"
- ASU 2016-20 "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers"

The guidance in ASU 2014-09 and the subsequently related ASUs will now be effective for public entities for annual reporting periods beginning after December 15, 2017, including interim periods therein. The Company is continuing to assess the method of adoption it expects to utilize and is continuing its evaluation to determine the impact, if any, on the results of operations and cash flows. However, the Company does anticipate that, as a result of certain changes by ASU 2014-09 and the subsequently related ASUs, the majority of its provision for uncollectibles will be recognized as a direct reduction to revenues, instead of separately as a deduction to arrive at revenue.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" which amends existing accounting standards for lease accounting, including requiring lessees to recognize most leases on the balance sheet and making changes to lessor accounting. The standard is effective for annual periods beginning after December 15, 2018 with early adoption permitted. The new standard requires a modified retrospective application for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company will adopt the new standard effective January 1, 2019. The Company expects that nearly all leases currently classified as operating leases will be classified as operating leases under the new standard with a right-of-use asset and an obligation recognized on the balance sheet at the adoption date. The Company has not yet determined the impact this ASU will have on the Company's results of operations or cash flows.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)" which clarifies how entities should classify certain cash receipts and cash payments on the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2017, and interim periods within those years with early adoption permitted. The Company early adopted this standard retrospectively and the ASU had no impact on the Company's cash flows.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (A Consensus of the FASB Emerging Issues Task Force)" which requires entities to show the changes in cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. Entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2017, and interim periods within those years and is to be adopted retrospectively. The Company has not yet determined the impact this ASU will have on the Company's cash flows.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805) - Clarifying the Definition of a Business" which changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. The guidance is effective for annual periods beginning after December 15, 2017, and interim periods within those years. The Company has not yet determined the impact this ASU will have on the Company's consolidated financial position, results of operations or cash flows.

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment" which eliminates the requirement to calculate the implied fair value of goodwill to measure an impairment charge. Instead, companies will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The standard is effective for annual periods beginning after December 15, 2019, with early adoption permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company has not yet determined the impact this ASU will have on the Company's consolidated financial position, results of operations or cash flows.

## 3. Revenue Recognition and Accounts Receivable

*Revenue Recognition*

Net revenue primarily consists of fee for service revenue and is principally derived from the provision of medical transportation services to patients of healthcare facilities and communities served. Contract revenue and other revenue primarily represents income earned from fire protection service contracts, stand by, special event and community subsidies. Revenue generated under fire protection service contracts is recognized over the life of the contract. Subscription fees, which are generally received in advance, are deferred and recognized on a straight-line basis over the term of the subscription agreement, which is generally one year.

Revenue is billed to patients for services provided, and the Company receives payments for these services from patients or their third-party payors. Payments for services provided are generally less than billed charges. The Company recognizes fee for service revenue, net of contractual adjustments and provision for uncollectibles, at the time services are provided by healthcare providers. Services provided but not yet billed are estimated and recognized in the period services are provided. Revenue recognized for services provided during the period but are not yet billed are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patients' healthcare plan, mandated payment rates under the Medicare and Medicaid programs, and historical cash collections. The Company records net revenue from uninsured patients at an estimated realizable value, which includes a provision for uncollectible balances, based on historical cash collections (net of recoveries). The Company records revenue net of an allowance for contractual adjustments, which represents the net revenue expected to collect from third-party payors (including managed care, commercial and governmental payors such as Medicare and Medicaid) and patients insured by these payors. These expected collections are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patient's healthcare plans, mandated payment rates in the case of Medicare and Medicaid programs, and historical cash collections (net of recoveries). The provision for uncollectibles includes an estimate of uncollectible balances due from uninsured patients, uncollectible co-pay and deductible balances due from insured patients and special charges, if any, for uncollectible balances due from managed care, commercial and governmental payors.

In certain circumstances, federal law requires providers to render emergency medical services to any patient who requires care regardless of their ability to pay. Services to these patients are not considered to be charity care and provisions for uncompensated care for these services are estimated accordingly. Although the Company does provide a level of charity care it is not significant to the Company's net revenues.

Estimating net revenue is a complex process, largely due to the volume of transactions, the number and complexity of contracts with payors, the limited availability, at times, of certain patient and payor information at the time services are provided, and the length of time it takes for collections to fully mature. In the period services are provided, the Company estimates gross charges based on: billed services plus an estimate for unbilled services based on pending case data collected, estimates of contractual allowances based on contracted rates and historical or actual cash collections (net of recoveries), when available, and estimates of the provision for uncollectibles based on historical cash collections (net of recoveries) from uninsured patients. The relationship between gross charges and the allowances for both contractual adjustments and provision for uncollectibles is significantly influenced by payor mix, as collections on gross charges may vary significantly depending on whether and with whom the patients the Company provides services to in the period are insured, and the contractual relationships with their payors. Payor mix is subject to change as additional patient and payor information is obtained after the period services are provided. The Company periodically assesses the estimates of unbilled revenue, contractual adjustments, provision for uncollectibles and payor mix for a period of at least one year following the date of service by analyzing actual results, including cash collections, against estimates. Changes in these estimates are charged or credited to the consolidated statement of operations in the period that the assessment is made. Significant changes in payor mix, contractual arrangements with payors, specialty mix, acuity, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on estimates and significantly affect the results of operations and cash flows. Concentration of credit risk with respect to other payors is limited due to the large number of such payors.

The Company's billing and accounting systems provide historical trends of cash collections and contractual write-offs, accounts receivable agings and established fee adjustments from third-party payors. These estimates are recorded and monitored monthly as revenues are recognized. The principal exposure for uncollectible fee for service visits is from self-pay patients and, to a lesser extent, for co-payments and deductibles from patients with insurance.

Net revenue for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the years ended December 31, 2015 and 2014 (Predecessor) consisted of the following (in thousands):

| | Successor | | Predecessor | | | | | |
|---|---|---|---|---|---|---|---|---|
| | One Month Ended December 31, 2016 | | Eleven Months Ended November 30, 2016 | | Year Ended December 31, 2015 | | Year Ended December 31, 2014 | |
| Revenue, net of contractual discounts, excluding subsidies and fees: | | | | | | | | |
| Medicare | $ 58,918 | 30 % | $ 618,819 | 29 % | $ 556,975 | 31 % | $ 491,258 | 32 % |
| Medicaid | 25,562 | 13 % | 260,127 | 12 % | 179,989 | 10 % | 142,096 | 9 % |
| Commercial insurance and managed care (excluding Medicare and Medicaid managed care) | 70,171 | 36 % | 739,837 | 35 % | 631,209 | 35 % | 595,018 | 39 % |
| Self-pay | 71,455 | 36 % | 724,385 | 34 % | 669,940 | 38 % | 552,652 | 36 % |
| Subtotal | 226,106 | 115 % | 2,343,168 | 110 % | 2,038,113 | 114 % | 1,781,024 | 116 % |
| Other revenue | 40,266 | 20 % | 471,250 | 23 % | 374,585 | 21 % | 297,554 | 19 % |
| Revenue, net of contractual discounts | 266,372 | 135 % | 2,814,418 | 133 % | 2,412,698 | 135 % | 2,078,578 | 135 % |
| Provision for uncompensated care | (68,828) | (35)% | (693,779) | (33)% | (630,330) | (35)% | (544,347) | (35)% |
| Net revenue | $197,544 | 100 % | $2,120,639 | 100 % | $1,782,368 | 100 % | $1,534,231 | 100 % |

*Accounts Receivable*

The Company manages accounts receivable by regularly reviewing its accounts and contracts and by providing appropriate allowances for contractual adjustments and uncollectible amounts. Some of the factors considered by management in determining the amount of such allowances are the historical trends of cash collections, contractual and bad debt write-offs, accounts receivable agings, established fee schedules, contracts with payors, changes in payor mix and procedure statistics. Actual collections of accounts receivable in subsequent periods may require changes in the estimated contractual allowance and provision for uncollectibles.

The Company tests its analysis by comparing cash collections to net patient revenues and monitoring self-pay utilization. In addition, when actual collection percentages differ from expected results, on a contract by contract basis, supplemental detailed reviews of the outstanding accounts receivable balances may be performed by the Company's billing operations to determine whether there are facts and circumstances existing that may cause a different conclusion as to the estimate of the collectability of that contract's accounts receivable from the estimate resulting from using the historical collection experience. Changes in these estimates, if any, are charged or credited to the consolidated statements of operations in the period of change. Material changes in estimates may result from unforeseen write-offs of patient or third-party accounts receivable, unsuccessful disputes with managed care payors, adverse macro-economic conditions which limit patients' ability to meet their financial obligations, or broad changes to government regulations that adversely impact reimbursement rates for services provided by the Company. Significant changes in payor mix, changes in contractual arrangements with payors, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on the Company's estimates and significantly affect its results of operations and cash flows. Concentration of credit risk is limited by the diversity and number of facilities, patients, payors and by the geographic dispersion of the Company's operations.

In connection with the application of purchase accounting related to the Merger, accounts receivable were revalued to reflect their estimated fair value of $411.3 million as of the Merger Date. At such time, any allowances were considered in the establishment of fair value and the allowance for uncollectibles was reset to $0.

## 4. Acquisitions

The Company accounts for its business combinations under the fundamental requirements of the acquisition method of accounting and under the premise that an acquirer be identified for each business combination. The acquirer is the entity that obtains control of one or more businesses in the business combination and the acquisition date is the date the acquirer achieves control. The assets acquired and liabilities assumed at the acquisition date are recognized at their fair values as of that date, and the direct costs incurred in connection with the business combination are recorded and expensed separately from the business combination.

*2016 Acquisition*

On September 16, 2016, the Company completed the acquisition of ComTrans, Inc. ("ComTrans"), a provider of specialized behavioral health and social service transportation services in the greater Phoenix market. The goodwill recognized in connection with the ComTrans acquisition is primarily attributable to synergies that are expected to be achieved through the integration of ComTrans into the existing operations of AMR. The total purchase price for this acquisition was allocated to goodwill of $10.0 million, other acquired intangible assets of $11.1 million and net assets of $4.2 million. These allocations are subject to adjustment based upon the completion of purchase price allocations. Of the goodwill recorded, $10.0 million is tax deductible.

*2015 Acquisitions*

Rural/ Metro Corporation

On October 28, 2015, the Company completed the acquisition of Rural/ Metro Corporation ("Rural/ Metro"). As of the closing date, Rural/ Metro provided ambulance and fire protection services in 19 states and approximately 700 communities throughout the United States. The Company acquired Rural/ Metro to achieve certain operational and strategic benefits. The goodwill recognized in connection with the Rural/ Metro acquisition is primarily attributable to synergies that are expected to be achieved through the integration of Rural/ Metro into the existing operations of AMR. Of the goodwill recorded, $4.2 million is tax deductible.

The final allocation of the purchase price is in the table below (in thousands):

| | |
|---|---|
| Cash and cash equivalents | $ 18,559 |
| Insurance receivable | 39,934 |
| Accounts receivable | 89,000 |
| Supplies inventory | 11,466 |
| Prepaid and other current assets | 23,887 |
| Property and equipment | 91,916 |
| Intangible assets, net | 226,200 |
| Goodwill | 399,976 |
| Other assets | 2,650 |
| Accounts payable | (16,614) |
| Accrued salaries and benefits | (22,269) |
| Other accrued liabilities | (67,031) |
| Deferred income taxes | (64,300) |
| Insurance reserves | (20,712) |
| Other long-term liabilities | (38,519) |
| | $ 674,143 |

Other 2015 Acquisitions

On July 10, 2015, the Company completed the acquisition of Vital Enterprises, Inc., Emergency Medical Transportation, Inc., and Marlboro Hudson Ambulance & Wheelchair Service, Inc. (together the "Vital/ Marlboro Entities"), providers of ambulance service operations located in the northeastern United States. The goodwill recognized in connection with the Vital/ Marlboro Entities is primarily attributable to synergies that are expected to be achieved through the integration of Vital/ Marlboro Entities into the existing operations of AMR. Of the goodwill recorded, $10.6 million is tax deductible.

On December 24, 2015, the Company completed the acquisition of MetroCare Services-Abilene GP, LLC ("MetroCare"), a provider of ambulance service operations located in Texas. The goodwill recognized in connection with the MetroCare acquisition is primarily attributable to synergies that are expected to be achieved through the integration of MetroCare into the existing operations of AMR. Of the goodwill recorded, $0.5 million is tax deductible.

The total purchase price for these acquisitions was allocated to goodwill of $12.9 million, other acquired intangible assets of $31.3 million, net assets of $5.0 million and deferred income taxes of $1.6 million.

*Pro Forma Information*

The following unaudited pro forma operating results give effect to the Rural/ Metro acquisition, as if it had been completed as of January 1, 2015. These pro forma amounts are not necessarily indicative of the operating results that would have occurred if this transaction had occurred on such date. The pro forma adjustments are based on certain assumptions that the Company believes are reasonable.

| (in thousands) | Year Ended December 31, 2015 |
|---|---|
| Net revenue | $ 2,274,597 |
| Net income | $ 40,632 |

**5. Fair Value Measurements**

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability. The inputs used by the Company to measure fair value are classified into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3: Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

In determining the fair value of assets and liabilities that are measured on a recurring basis at December 31, 2016 and 2015, the Company utilized Level 1 and 2 inputs to perform such measurements methods, which were commensurate with the market approach. The Company utilizes Level 3 inputs to measure the fair value of real estate Pension Plan assets (as described in Note 12). There were no transfers to or from Levels 1 and 2 during the year ended December 31, 2016. The Company's non-patient receivables and accounts payable are reflected in the financial statements at cost, which approximates fair value.

The Company classifies its financial instruments that are reported at fair value based on a hierarchal framework which ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

*Derivatives and Hedging Activities*

During 2016, the Company used derivative instruments to manage risks associated with fuel price volatility. The Company manages its exposure to changes in fuel prices and, from time to time, uses highly effective derivative instruments to manage well-defined risk exposures. All hedging instruments that qualify for hedge accounting are designated and effective as hedges, in accordance with GAAP. If the underlying hedged transaction ceases to exist, all changes in fair value of the related derivatives that have not been settled are recognized in current earnings. Instruments that do not qualify for hedge accounting and the ineffective portion of hedges are marked to market with changes recognized in current earnings. The Company monitors its positions and the credit ratings of its counterparties and does not anticipate non-performance by the counterparties. All derivative instruments are recorded on the balance sheet at fair value. The Company does not hold or issue derivative financial instruments for trading purposes and is not a party to leveraged derivatives.

At December 31, 2016, the Company was party to a series of fuel hedge transactions with a major financial institution under one master agreement executed in December 2014. The last of the fuel hedge transactions settled in January 2017. Each of the transactions effectively fixed the cost of diesel fuel at prices ranging from \$3.16 to \$3.58 per gallon. The Company purchased the diesel fuel at the market rate and periodically settled with its counterparty for the difference between the national average price for the period published by the Department of Energy and the agreed upon fixed price. The transactions fixed the price for a total of 0.6 million gallons, which represented approximately 18% of the Company's total estimated usage during the periods hedged, through December 2016. The Company recorded, as a component of other comprehensive income (loss) before applicable tax impacts, a liability associated with the fair value of the fuel hedge in the amount of \$2.8 million and \$0.0 million as of December 31, 2015 (Predecessor) and December 31, 2016 (Successor), respectively. The fair value was determined applying level 3 inputs within the fair value hierarchy. Over the next 12 months, the Company expects to reclassify less than \$0.1 million of deferred loss from accumulated other comprehensive income (loss) as the related fuel hedge transactions mature. Settlements of hedge agreements are included in operating expenses and resulted in net payments to the counterparty of \$0.2 million, \$2.5 million, \$1.3 million, and \$0.3 million for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the years ended December 31, 2015 and 2014 (Predecessor), respectively.

## 6. Property and Equipment, net

Property and equipment is recorded at cost, except for property and equipment acquired through business acquisitions, which is initially recorded at fair value. Depreciation is recognized over the estimated useful lives primarily using the straight-line method. Amortization of assets recorded under capital leases is included with depreciation expense.

In connection with the application of purchase accounting related to the Merger at the Merger Date, property and equipment has been preliminarily recorded to its fair value.

Property and equipment acquired subsequent to the Merger is recorded at cost, except for property and equipment acquired through business acquisitions, which is initially recorded at fair value. Depreciation of property, plant and equipment is provided substantially on a straight line basis over their estimated useful lives, which are as follows:

| | |
|---|---|
| Buildings | 35 to 40 years |
| Leasehold improvements | Shorter of expected life or life of lease |
| Vehicles | 5 to 7 years |
| Computer hardware and software | 3 to 5 years |
| Other | 3 to10 years |

Maintenance and repairs that do not extend the useful life of the property are charged to expense as incurred. Gains and losses from dispositions of property and equipment are recorded in the period incurred. Property and equipment, net, consisted of the following (in thousands):

| | December 31, 2016 | December 31, 2015 |
|---|---|---|
| Land | $ 2,943 | $ 6,163 |
| Building and building improvements | 6,870 | 11,620 |
| Leasehold improvements | 14,650 | 18,132 |
| Medical equipment and other | 91,837 | 118,077 |
| Vehicles | 144,838 | 240,312 |
| Computer hardware | 26,470 | 41,335 |
| Construction in process | 12,966 | 24,601 |
| Property and equipment | **300,574** | **460,240** |
| Less: Accumulated depreciation | (7,198) | (210,337) |
| Property and equipment, net | **$ 293,376** | **$ 249,903** |

Depreciation expense was \$8.4 million, \$78.9 million, \$58.5 million and \$52.3 million during the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the years ended December 31, 2015 and 2014 (Predecessor), respectively.

## 7. Goodwill and Intangible Assets, net

The Company's intangible assets include goodwill and other intangibles, which include the fair value of both the customer relationships and trade names. The Company's indefinite-lived intangibles include goodwill, trade names and licenses. Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company evaluates indefinite-lived intangible assets, including goodwill, for impairment at least on an annual basis and more frequently if certain indicators are encountered. Indefinite-lived intangibles are to be tested at the reporting unit level with the fair value of the reporting unit being compared to its carrying amount. If the fair value of a reporting unit exceeds its carrying amount, the indefinite-lived intangibles associated with the reporting unit are not considered to be impaired. The Company completed its annual impairment test as of July 1, 2016, and determined that its indefinite-lived intangibles were not impaired. The Company's finite-lived intangibles include its customer relationships and contract values. The Company tests its finite-lived intangibles for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The Company's policy is to recognize an impairment charge when the carrying amount is not recoverable and such amount exceeds fair value.

The following table presents changes in the carrying amount of goodwill during the years ended December 31, 2016 and 2015 (in thousands):

| | Year Ended December 31, 2016 | Year Ended December 31, 2015 |
|---|---|---|
| Balance at beginning of period | $ 1,269,971 | $ 859,138 |
| New acquisitions | 10,986 | 336,917 |
| Deferred taxes | — | 73,916 |
| Elimination of Predecessor goodwill | (1,280,957) | — |
| Goodwill established as a result of the Merger, as of the Merger Date | 1,330,112 | — |
| **Balance at end of period** | **$ 1,330,112** | **$ 1,269,971** |

Intangible assets consist primarily of customer relationships, capitalized software, trade names and certain amortizable and non-amortizable non-compete and customer agreements. The table below illustrates the useful lives of each class of intangible assets and the remaining weighted average amortization period. The Company's intangible assets, net, as of December 31, 2016 and 2015 are as follows (in thousands):

| | Weighted Average Life (Years) | December 31, 2016 Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
|---|---|---|---|---|
| Definite-lived intangible assets: | | | | |
| Customer relationships | 20 | $ 670,000 | $ (2,792) | $ 667,208 |
| Capitalized software | 4 | 37,849 | (1,084) | 36,765 |
| Total definite-lived intangible assets | | 707,849 | (3,876) | 703,973 |
| Indefinite-lived intangible assets: | | | | |
| Licenses | — | 16,500 | — | 16,500 |
| Trade names | — | 210,000 | — | 210,000 |
| Total indefinite-lived intangible assets | | 226,500 | — | 226,500 |
| **Total** | | **$ 934,349** | **$ (3,876)** | **$ 930,473** |

| | Weighted Average Life (Years) | December 31, 2015 Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
|---|---|---|---|---|
| Definite-lived intangible assets: | | | | |
| Customer relationships | 13 | $ 416,290 | $ (89,121) | $ 327,169 |
| Capitalized software | 4 | 43,912 | (20,071) | 23,841 |
| Trade names | 14 | 9,270 | (538) | 8,732 |
| Agreements, contracts and other | 5 | 520 | (288) | 232 |
| Total definite-lived intangible assets | | 469,992 | (110,018) | 359,974 |
| Indefinite-lived intangible assets: | | | | |
| Licenses | — | 17,500 | — | 17,500 |
| Trade names | — | 40,710 | — | 40,710 |
| Radio frequencies | — | 901 | — | 901 |
| Total indefinite-lived intangible assets | | 59,111 | — | 59,111 |
| **Total** | | **$ 529,103** | **$ (110,018)** | **$ 419,085** |

The following table shows the expected amortization of long-lived intangible assets for each of the years ending December 31 (in thousands):

| | | |
|---|---|---|
| 2017 | $ | 44,547 |
| 2018 | | 41,868 |
| 2019 | | 38,147 |
| 2020 | | 36,320 |
| 2021 | | 35,009 |
| Thereafter | | 508,082 |
| | **$** | **703,973** |

## 8. Other Accrued Liabilities

Accrued liabilities were as follows as of December 31, 2016 and December 31, 2015 (in thousands):

| | December 31, 2016 | | December 31, 2015 | |
|---|---|---|---|---|
| Insurance reserves | $ | 56,344 | $ | 48,568 |
| Deferred revenue | | 24,668 | | 24,483 |
| Other | | 61,867 | | 58,049 |
| **Total other accrued liabilities** | **$** | **142,879** | **$** | **131,100** |

## 9. Income Taxes

Deferred income taxes reflect the impact of temporary differences between the reported amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. The deferred tax assets and liabilities represent the future tax return consequences of those differences and are measured using enacted tax rates expected to apply in the years in which those assets and liabilities are recovered or settled.

Significant components of the Company's deferred taxes were as follows at December 31, 2016 (Successor) and December 31, 2015 (Predecessor) (in thousands):

| | December 31, 2016 | | December 31, 2015 | |
|---|---|---|---|---|
| Deferred tax assets: | | | | |
| Accounts receivable | $ | 6,314 | $ | 1,616 |
| Accrued liabilities | | 12,348 | | 12,749 |
| Operating loss and credit carryforwards | | 68,391 | | 88,635 |
| Insurance and other long-term liabilities | | 48,105 | | 39,307 |
| Valuation allowances | | (11,953) | | (10,173) |
| Total deferred tax assets | | **123,205** | | **132,134** |
| Deferred tax liabilities: | | | | |
| Intangible assets | | 319,680 | | 122,172 |
| Property and equipment | | 62,097 | | 47,093 |
| Attribute reduction | | 51,819 | | 55,913 |
| Total deferred tax liabilities | | **433,596** | | **225,178** |
| **Net deferred tax liabilities** | **$** | **310,391** | **$** | **93,044** |

A valuation allowance is established when it is "more likely than not" that all, or a portion, of net deferred tax assets will not be realized. Based on review of available evidence, the Company has determined that it is more likely than not that certain deferred tax assets may not be realized. Therefore, a valuation allowance of $12.0 million and $10.2 million has been established as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor), respectively. The change of $1.8 million relates primarily to the ability to utilize additional state net operating losses ("NOLs"). The Company has federal NOL carryforwards of $150.1

million which expire in the years 2017 to 2034.

Unrecognized tax benefits reflect the difference between positions taken or expected to be taken on income tax returns and the amounts recognized within other long-term liabilities in the financial statements. The Company operates in multiple taxing jurisdictions and in the normal course of business is examined by federal and state tax authorities. The Company does not expect the final resolution of tax examinations to have a material impact on the Company's financial results. In nearly all jurisdictions, the tax years prior to 2012 are no longer subject to examination.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

| | Successor | Predecessor | | |
|---|---|---|---|---|
| | **One Month Ended December 31, 2016** | **Eleven Months Ended November 30, 2016** | **Year Ended December 31, 2015** | **Year Ended December 31, 2014** |
| Balance at beginning of period | $ 12,557 | $ 12,842 | $ 1,485 | $ — |
| Additions for acquisitions | — | — | 11,671 | — |
| Additions for tax positions of prior years | 63 | 643 | 559 | 1,485 |
| Reductions for tax positions due to lapse of statute of limitations | — | (928) | (873) | — |
| **Balance at end of period** | **$ 12,620** | **$ 12,557** | **$ 12,842** | **$ 1,485** |

The Company does not expect a reduction of unrecognized tax benefits within the next twelve months.The Company recognized $0.1 million, $0.6 million, $0.2 million and $0.3 million within income tax expense in the consolidated statements of operations related to interest and penalties for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor), the year ended December 31, 2015 (Predecessor) and the year ended December 31, 2014 (Predecessor), respectively. The Company reversed $0.0 million, $0.2 million, $0.2 million and $0.0 million of the interest and penalties previously recognized for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor), the year ended December 31, 2015 (Predecessor) and the year ended December 31, 2014 (Predecessor), respectively. The total amounts of interest and penalty obligations recognized within other long-term liabilities in the consolidated balance sheets are $1.4 million, and $0.8 million as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor), respectively.

The components of income tax expense were as follows (in thousands):

| | Successor | Predecessor | | |
|---|---|---|---|---|
| | **One Month Ended December 31, 2016** | **Eleven Months Ended November 30, 2016** | **Year Ended December 31, 2015** | **Year Ended December 31, 2014** |
| **Current tax expense (benefit):** | | | | |
| Federal | $ (257) | $ 3,864 | $ 31,049 | $ 23,810 |
| State | 623 | 3,707 | 2,729 | 1,358 |
| Total | 366 | 7,571 | 33,778 | 25,168 |
| **Deferred tax expense (benefit):** | | | | |
| Federal | 2,256 | 8,392 | 8,809 | 6,763 |
| State | (250) | (300) | 2,252 | 3,534 |
| Total | 2,006 | 8,092 | 11,061 | 10,297 |
| **Total tax expense (benefit):** | | | | |
| Federal | 1,999 | 12,256 | 39,858 | 30,573 |
| State | 373 | 3,407 | 4,981 | 4,892 |
| Total | **$ 2,372** | **$ 15,663** | **$ 44,839** | **$ 35,465** |

For the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor), the year ended December 31, 2015 (Predecessor) and the year ended December 31, 2014 (Predecessor), the Company realized a tax benefit of approximately $0.3 million, $19.1 million, $9.0 million and $14.5 million, respectively, as a result of its utilization of federal NOLs.

A reconciliation of the provision for income taxes at the federal statutory rate compared to the effective tax rate is as follows (in thousands):

| | Successor | Predecessor | | |
|---|---|---|---|---|
| | **One Month Ended December 31, 2016** | **Eleven Months Ended November 30, 2016** | **Year Ended December 31, 2015** | **Year Ended December 31, 2014** |
| Income tax expense at the statutory rate | $ 2,046 | $ 12,977 | $ 40,523 | $ 29,226 |
| Increase in income taxes resulting from: | | | | |
| State taxes, net of federal | 126 | 967 | 2,495 | 1,458 |
| Change in valuation allowance | 2 | 357 | 1,317 | 3,258 |
| Transaction-related items | 88 | 828 | 1,010 | 42 |
| Other | 110 | 534 | (506) | 1,481 |
| Income tax expense | **$ 2,372** | **$ 15,663** | **$ 44,839** | **$ 35,465** |

## 10. Insurance

Insurance reserves are established for automobile, workers compensation, general liability and professional liability claims utilizing policies with an off shore captive insurance program through a wholly owned subsidiary of Prior Parent/ Parent. In those instances where the Company has obtained third party insurance coverage, the Company normally retains liability for the first $1 to $3 million of the loss. Insurance reserves cover known claims and incidents within the level of Company retention that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from activities through December 31, 2016.

The Company establishes reserves for claims based upon an assessment of claims reported and claims incurred but not reported. The reserves are established based on consultation with third party independent actuaries using actuarial principles and assumptions that consider a number of factors, including historical claim payment patterns (including legal costs) and changes in case reserves and the assumed rate of inflation in health care costs and property damage repairs. Claims, other than general liability claims, are discounted at a rate of 1.5% as of December 31, 2015. Beginning at the Merger Date, claims are not discounted to conform with Parent company accounting policy. General liability claims are not discounted. Provisions for insurance expense included in the statements of operations include annual provisions determined in consultation with third party actuaries and premiums paid to third party insurers.

The table below summarizes the non health and welfare insurance reserves included in the accompanying balance sheets (in thousands):

| | **Accrued Liabilities** | **Insurance Reserves** | **Total Liabilities** |
|---|---|---|---|
| **December 31, 2016** | | | |
| Automobile | $ 14,204 | $ 17,103 | $ 31,307 |
| Workers' compensation | 26,431 | 54,925 | 81,356 |
| General/ Professional liability | 15,709 | 15,607 | 31,316 |
| | **56,344** | **87,635** | **143,979** |
| **December 31, 2015** | | | |
| Automobile | 14,565 | 24,047 | 38,612 |
| Workers' compensation | 28,025 | 44,536 | 72,561 |
| General/ Professional liability | 5,978 | 13,625 | 19,603 |
| | **$ 48,568** | **$ 82,208** | **$ 130,776** |

## 11. Changes in Accumulated Other Comprehensive Income (Loss) by Component

The following table summarizes the changes in the Company's accumulated other comprehensive income (loss) ("AOCI") by component for the month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the year ended December 31, 2015 (Predecessor) (in thousands). All amounts are after tax.

| | Unrealized gains (losses) on derivative financial instruments | Defined benefit pension plan net gain (loss) | Total |
|---|---|---|---|
| **Balance at January 1, 2014** | $ **420** | $ — | $ **420** |
| Other comprehensive income (loss) before reclassifications | (1,130) | — | (1,130) |
| Amounts reclassified from accumulated other comprehensive income (loss) | (187) | — | (187) |
| Net current-period other comprehensive income (loss) | (1,317) | — | (1,317) |
| **Balance at December 31, 2014** | $ **(897)** | $ — | $ **(897)** |
| Other comprehensive income (loss) before reclassifications | (1,627) | 601 | (1,026) |
| Amounts reclassified from accumulated other comprehensive income (loss) | 784 | — | 784 |
| Net current-period other comprehensive income (loss) | (843) | 601 | (242) |
| **Balance at December 31, 2015** | $ **(1,740)** | $ **601** | $ **(1,139)** |
| Other comprehensive income (loss) before reclassifications | 5 | 682 | 687 |
| Amounts reclassified from accumulated other comprehensive income (loss) | 1,499 | — | 1,499 |
| Net current-period other comprehensive income (loss) | 1,504 | 682 | 2,186 |
| **Predecessor balance prior to Merger on December 1, 2016** | $ **(236)** | $ **1,283** | $ **1,047** |
| Elimination of Predecessor equity in connection with the merger | 236 | (1,283) | (1,047) |
| **Balance at December 1, 2016** | — | — | — |
| Other comprehensive income (loss) before reclassifications | (109) | — | (109) |
| Amounts reclassified from accumulated other comprehensive income (loss) | 111 | — | 111 |
| Net current-period other comprehensive income (loss) | 2 | — | 2 |
| **Balance at December 31, 2016** | $ **2** | $ — | $ **2** |

The following table shows the line item on the consolidated statements of operations affected by reclassifications out of AOCI (in thousands):

| | Amount reclassified from AOCI | | | | |
|---|---|---|---|---|---|
| | **Successor** | **Predecessor** | | | **Statements of Operations** |
| **Details about AOCI components** | **One Month Ended December 31, 2016** | **Eleven Months November 30, 2016** | **Year Ended December 31, 2015** | **Year Ended December 31, 2014** | |
| Fuel hedge | $ (181) | $ (2,458) | $ (1,254) | $ 300 | Operating expenses |
| | (181) | (2,458) | (1,254) | 300 | Total before tax |
| | 70 | 959 | 470 | (113) | Tax expense (benefit) |
| | $ (111) | $ (1,499) | $ (784) | $ 187 | Net of tax |

Notes to Consolidated Financial Statements - Continued *(Dollars in thousands)*

## 12. Retirement Plans and Employee Benefits

*Rural/ Metro Pension Plan*

As part of the Company's acquisition of Rural/ Metro on October 28, 2015, the Company acquired a defined benefit pension plan (the "Pension Plan") that covers eligible employees of one of Rural/ Metro's subsidiaries, primarily those covered by collective bargaining arrangements. Eligibility is achieved upon the completion of one year of service. Participants become fully vested in their accrued benefit after the completion of five years of service.

The Pension Plan was amended on April 8, 2016 (the "curtailment date"), whereby the Pension Plan became frozen for all participants as of June 30, 2016. As part of the freezing of the Pension Plan, no new benefits accrue, no hours of service earned after the freeze date will count in determining a participant's credited service, and no earnings earned after the freeze date are counted in determining a participant's average annual earnings. The amendment qualified as a curtailment. The elimination of future years of service and future salaries results in the post-curtailment pension obligation being based on the accumulated benefit obligation rather than the projected benefit obligation. As a result, the Company recognized, effective on the curtailment date, a net curtailment gain of approximately $1.1 million, consisting of a $2.2 million gain from the decrease in the projected benefit obligation and a $1.1 million loss for the elimination of the accumulated net actuarial loss within other comprehensive income (loss) as of the date of the amendment. The net gain of $1.1 million is included in net periodic pension cost for the eleven months ended November 30, 2016 (Predecessor).

The Company's general funding policy is to make annual contributions to the Pension Plan as required by the Employee Retirement Income Security Act. The Company did not make any contributions during the period from the acquisition date of Rural/ Metro of October 28, 2015, to December 31, 2015 (Predecessor), made a $0.7 million contribution during the eleven months ended November 30, 2016 (Predecessor) and did not make any contributions during the one month ended December 31, 2016 (Successor).

The following table shows a reconciliation of changes in the Pension Plan's benefit obligation and plan assets for the period from October 28, 2015, to December 31, 2016:

| | Successor | Predecessor | |
|---|---|---|---|
| | One Month Ended December 31, 2016 | Eleven Months Ended November 30, 2016 | October 28, 2015 to December 31, 2015 |
| **Change in benefit obligation:** | | | |
| Benefit obligation at beginning of period | $ 41,273 | $ 41,571 | $ 41,821 |
| Service cost | — | 1,490 | 556 |
| Interest cost | 199 | 1,739 | 315 |
| Plan participants' contributions | — | 4 | 1 |
| Benefits paid | — | (177) | (16) |
| Actuarial gain | — | (1,143) | (1,106) |
| Curtailment gain | — | (2,211) | — |
| **Benefit obligation at end of period** | **41,472** | **41,273** | **41,571** |
| **Change in plan assets:** | | | |
| Fair value of plan assets at beginning of period | 19,282 | 18,382 | 18,669 |
| Actual return on plan assets | 160 | 373 | (272) |
| Employer contributions | — | 700 | — |
| Benefits paid | — | (177) | (16) |
| Plan participants' contributions | — | 4 | 1 |
| **Fair value of plan assets at end of period** | **19,442** | **19,282** | **18,382** |
| **Funded status at end of period** | **$ (22,030)** | **$ (21,991)** | **$ (23,189)** |

Amounts recognized in the consolidated balance sheets totaling $22.0 million and $23.2 million as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor), respectively, were classified as other long-term liabilities.

As of December 31, 2016 (Successor), there were no amounts of accumulated unrecognized net actuarial gains or losses in accumulated other comprehensive income (loss), before income taxes. Amounts in accumulated other comprehensive income (loss), before income taxes, that had not been recognized as net periodic benefit cost as of December 31, 2015 (Predecessor), consisted of $0.6 million of accumulated net actuarial gains.

The accumulated benefit obligation for the Pension Plan was $41.3 million and $38.9 million as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor), respectively.

Amortization of the net actuarial gain or loss resulting from experience different from that assumed and from changes in assumptions is included as a component of net periodic benefit cost for each year. If, at the beginning of the year, that net gain or loss exceeds 10% of the greater of the projected benefit obligation and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of participating employees expected to receive benefits under the plan.

The components of net periodic benefit cost and other amounts recognized as comprehensive (loss) income during the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the period from October 28, 2015 to December 31, 2015 (Predecessor), are as follows (in thousands):

| | Successor | Predecessor | |
|---|---|---|---|
| | One Month Ended December 31, 2016 | Eleven Months Ended November 30, 2016 | October 28, 2015 to December 31, 2015 |
| **Net periodic benefit cost** | | | |
| Service cost | $ — | $ 1,490 | $ 556 |
| Interest cost | 199 | 1,739 | 315 |
| Expected return on plan assets | (160) | (1,207) | (233) |
| Curtailment gain | — | (1,146) | — |
| **Net periodic benefit cost** | **$ 39** | **876** | **$ 638** |
| **Other changes in plan assets and benefit obligations recognized as other comprehensive loss (income)** | | | |
| Net gain | — | $ (388) | $ (601) |
| Curtailment gain | — | (1,065) | — |
| Tax expense | — | 771 | — |
| Total recognized in other comprehensive loss (income) | — | (682) | $ (601) |
| **Total recognized as net periodic benefit cost and other comprehensive loss (income)** | **$ 39** | **$ 194** | **$ 37** |

The assumptions used to determine the Company's benefit obligation as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor) were as follows:

| | Successor | Predecessor |
|---|---|---|
| | December 31, 2016 | December 31, 2015 |
| Discount rate | 4.47% | 4.80% |
| Rate of increase in compensation levels | N/A | 2.00% |

Notes to Consolidated Financial Statements - Continued *(Dollars in thousands)*

As a result of the freeze of the Pension Plan as of June 30, 2016, the rate of increase in compensation levels is not applicable as of December 31, 2016 (Successor).

Current mortality tables and the mortality improvement scale issued by the Society of Actuaries were utilized in determining the Company's benefit obligation as of December 31, 2016.

The assumptions used to determine the Company's net periodic benefit cost for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the period from October 28, 2015, to December 31, 2015 (Predecessor), were as follows:

| | Successor | Predecessor | |
|---|---|---|---|
| | One Month Ended December 31, 2016 | Eleven Months November 30, 2016 | October 28, 2015 Through December 31, 2015 |
| Discount rate | 4.47% | 4.53% | 4.69% |
| Rate of increase in compensation levels | N/A | 2.00% | 2.00% |
| Expected long-term rate of return on assets | 7.00% | 7.00% | 7.50% |

As a result of the freeze of the Pension Plan as of June 30, 2016, the rate of increase in compensation levels is not applicable to periods after that date.

In developing the expected long-term rate of return assumption, the Company evaluated the outputs of financial models designed to simulate results under multiple investment scenarios and to estimate long-term investment returns based on the Pension Plan's asset allocation. Expected return on plan assets is determined using the fair value of plan assets.

The Company's Pension Plan target and actual asset allocation as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor) by asset category are shown below:

| | Target Allocation | Actual Allocation December 31, 2016 (Successor) | Actual Allocation December 31, 2015 (Predecessor) |
|---|---|---|---|
| **Asset allocation:** | | | |
| Equity securities | 60% – 70% | 57.5% | 57.8% |
| Debt securities | 25% – 40% | 34.3% | 33.9% |
| Real estate | 5% – 15% | 8.2% | 8.3% |
| Total | 100% | 100% | 100% |

The Company invests in a diversified portfolio to ensure that adverse or unexpected results from a security class will not have a detrimental impact on the entire portfolio. The portfolio is diversified by asset type, performance and risk characteristics, and number of investments. Asset classes and ranges considered appropriate for investment of the Pension Plan's assets are determined by the Pension Plan's investment committee. The asset classes include domestic and foreign equities, emerging market equities, domestic and foreign investment grade and high-yield bonds and domestic real estate.

The Company has adopted the fair value provisions (as described in Note 5) for the plan assets. The Company categorizes plan assets within a three-level fair value hierarchy.

The fair values of the Pension Plan assets as of December 31, 2016 (Successor) and December 31, 2015 (Predecessor), by asset class were as follows (in thousands):

| | December 31, 2016 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets:** | | | | |
| Equity securities | $ 10,889 | $ 297 | — | $ 11,186 |
| Debt securities | 1,673 | 4,995 | — | 6,668 |
| Real estate | 417 | — | 1,171 | 1,588 |
| **Total plan assets** | **$ 12,979** | **$ 5,292** | **$ 1,171** | **$ 19,442** |

| | December 31, 2015 | | | |
|---|---|---|---|---|
| | **(Level 1)** | **(Level 2)** | **(Level 3)** | **Total** |
| **Assets:** | | | | |
| Equity securities | $ 10,350 | $ 277 | — | $ 10,627 |
| Debt securities | 1,560 | 4,679 | — | 6,239 |
| Real estate | 402 | — | 1,114 | 1,516 |
| **Total plan assets** | **$ 12,312** | **$ 4,956** | **$ 1,114** | **$ 18,382** |

Pension Plan assets with underlying investments in real estate for which significant unobservable inputs were used to determine appraised value are classified as Level 3. The following table presents the changes in Level 3 Pension Plan assets during the year ended December 31, 2016 (in thousands):

| | **Fair Value at December 31, 2015** | **Gain on Plan Assets** | **Net Purchases/Sales** | **Net Transfers Into/(Out of) Level 3** | **Fair Value at December 31, 2016** |
|---|---|---|---|---|---|
| Real estate | $ 1,114 | $ 100 | $ (43) | — | $ 1,171 |

During the period October 28, 2015 to December 31, 2015, the Level 3 Pension Plan assets decreased approximately $0.1 million as a result of net purchases and sales during the period.

The Company does not expect to contribute to the Pension Plan during 2017.

Future benefit payments expected to be made from Pension Plan assets are summarized below by year (in thousands):

| **Expected benefit payments:** | |
|---|---|
| 2017 | $ 278 |
| 2018 | 355 |
| 2019 | 451 |
| 2020 | 539 |
| 2021 | 629 |
| 2022–2026 | $ 4,748 |

*Other Postemployment Benefits*

The Company participates in a 401(k) plan maintained by the Parent, for its employees and employees of certain subsidiaries who meet the eligibility requirements set forth in the Plans. Employees may contribute a maximum of 40% of their compensation each year up to the annual limit established by the Internal Revenue Service ($18,000 in 2016 and 2015 and $17,500 in 2014). The 401(k) Plans provide a 50% match on up to 6% of eligible compensation.

The Company's contributions to the Plans were $1.5 million, $15.5 million, $13.5 million and $12.3 million for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the years ended December 31, 2015 and 2014 (Predecessor), respectively. Contributions are included in salaries and benefits in the accompanying consolidated statements of operations.

*Collective Bargaining Agreements*

Approximately 43% of AMR employees are represented by 71 active collective bargaining agreements. There are 33 operational locations representing approximately 4,600 employees currently in the process of negotiations or that will be subject to negotiation in 2017. In addition, 14 collective bargaining agreements, representing approximately 4,600 employees will be subject to negotiations in 2018. While the Company believes it maintains a good working relationship with its employees, the Company has experienced some union work actions. The Company does not expect these actions to have a material adverse effect on its ability to provide service to its patients and communities.

## 13. Commitments and Contingencies

*Lease Commitments*

The Company leases various facilities and equipment under operating lease agreements. Rental expense incurred under these leases was $4.2 million, $46.1 million, $35.2 million and $32.3 million for the one month ended December 31, 2016 (Successor), the eleven months ended November 30, 2016 (Predecessor) and the years ended December 31, 2015 and 2014 (Predecessor), respectively.

The Company also records certain leasehold improvements and vehicles under capital leases. Assets under capital leases are capitalized using implicit interest rates at the inception of each lease. Capital leases are collateralized by the underlying assets.

Future commitments under non cancelable capital and operating leases for premises, equipment and other recurring commitments are as follows (in thousands):

| | Capital Leases | Operating Leases & Other |
|---|---|---|
| **Year Ended December 31,** | | |
| 2017 | $ 491 | $ 36,503 |
| 2018 | 325 | 23,517 |
| 2019 | 238 | 19,409 |
| 2020 | 238 | 16,382 |
| 2021 | 238 | 12,724 |
| Thereafter | 320 | 29,932 |
| Total capital lease obligations | 1,850 | $ 138,467 |
| Less current portion | (485) | |
| Long-term capital lease obligations | $ 1,365 | |

*Guarantee of Parent Company Debt and Letters of Credit*

Parent company senior debt of $5.9 billion is partially guaranteed by the assets and working capital, respectively, of AMR on a full and unconditional and joint and several basis, with limited exceptions considered customary for such guarantees, including the release of the guarantee upon the sale of AMR's assets.

Parent company secured letters of credit outstanding on behalf of AMR as of December 31, 2016 and December 31, 2015 were $31.2 million. Customary letter of credit fees comprise the majority of interest expense reported in the Consolidated Statement of Operations for all periods presented.

*Other Legal Matters*

Four putative class action lawsuits were filed against certain subsidiaries of the Company's medical transportation business in California alleging violations of California wage and hour laws, including failures to pay overtime wages and to provide required meal and rest breaks to employees. On April 16, 2008, L. Bartoni commenced a suit in the Superior Court of California, Alameda County, on July 8, 2008, Vaughn Banta filed suit in the Superior Court of California, Los Angeles County (L.A. Superior Court), on January 22, 2009, Laura Karapetian filed suit in the L.A. Superior Court, and on March 11, 2010, Melanie Aguilar filed suit in L.A. Superior Court. The Aguilar and Karapetian cases were consolidated into a single action. In the Bartoni case, the court denied class certification of the meal break claim, but the appellate court reversed and remanded the ruling on rest breaks for further proceedings. The plaintiffs in Bartoni have asserted representative claims on behalf of similarly situated employees under the California Private Attorney General Act (PAGA). In each of the Banta and Karapetian/Aguilar cases, while all classes have been decertified, the plaintiffs have also asserted representative claims under PAGA. The Company is unable at this time to estimate the amount of potential damages, if any.

In 2012, the Company's Rural/Metro subsidiary entered into a Corporate Integrity Agreement ("CIA") with the Office of Inspector General of the Department of Health and Human Services ("OIG") in connection with a qui tam action alleging that Rural/Metro had falsified Medicare documents and improperly billed for ambulance services. The CIA requires the Company to maintain a compliance program. This program includes, among other elements, the appointment of a compliance officer and committee, training of employees nationwide, safeguards for ambulance billing operations, review by an independent review organization, and reporting of certain events. The term of the CIA is five years and is set to expire in June 2017. AMR was previously subject to a separate CIA with the OIG relating to AMR, pursuant to which the Company agreed to adopt certain compliance related policies and practices. While the Company continues to maintain its corporate compliance program, and is still subject to Rural/ Metro's CIA, the Company was released from AMR's CIA in January 2017.

The Company is involved in other litigation arising in the ordinary course of business. Management believes the outcome of these legal proceedings will not have a material adverse impact on its financial condition, results of operations or liquidity.

**14. Subsequent Events**

The Company has evaluated new information and events through June 21, 2017, which is the date these consolidated financial statements were available to be issued, to determine the need to either update these consolidated financial statements or to provide additional disclosures about those events. On June 15, 2017, the Company completed the acquisition of Life Guard International, Inc. (d/b/a Flying ICU), for total purchase consideration of $11.7 million paid in cash. Flying ICU provides domestic and international fixed wing critical care transport services using its fleet of owned aircraft and is based in Nevada. Except for the information and events disclosed herein, no additional disclosures were deemed necessary by the Company.

AMR HoldCo Inc.
(a wholly-owned subsidiary of Envision Healthcare Corporation)

# CONSOLIDATED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED DECEMBER 31, 2017

KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

## Independent Auditors' Report

The Board of Directors and Shareholders of AMR HoldCo Inc:

We have audited the accompanying consolidated financial statements of AMR HoldCo Inc. and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2017, and the related consolidated statements of operations, changes in equity, and cash flows for the year 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 audit. We conducted our audit 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 AMR HoldCo Inc. and its subsidiaries as of December 31, 2017 and the results of their operations and their cash flows for the year then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Denver, Colorado
May 25, 2018

**AMR HOLDCO INC.**
**(a wholly-owned subsidiary of Envision Healthcare Corporation)**

**CONSOLIDATED BALANCE SHEET**
**(in thousands)**

| | | December 31, 2017 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ | 8,521 |
| Insurance receivable from related party | | 83,883 |
| Accounts receivable, net of allowance for uncollectibles of $462.4 million | | 487,144 |
| Supplies inventory | | 36,257 |
| Prepaid and other current assets | | 35,485 |
| **Total current assets** | | **651,290** |
| Property and equipment, net | | 310,215 |
| Intangible assets, net | | 951,811 |
| Goodwill | | 1,158,652 |
| Other assets | | 36,796 |
| **Total assets** | **$** | **3,108,764** |
| **LIABILITIES AND EOUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ | 25,344 |
| Accrued salaries and benefits | | 84,157 |
| Other accrued liabilities | | 177,499 |
| Current portion of capital lease obligations | | 85 |
| **Total current liabilities** | | **287,085** |
| Capital lease obligations | | 1,293 |
| Deferred income taxes | | 228,285 |
| Insurance reserves | | 108,873 |
| Other long-term liabilities | | 32,272 |
| **Total liabilities** | | **657,808** |
| Commitments and contingencies | | |
| Equity: | | |
| Investment by Parent | | 2,526,826 |
| Accumulated other comprehensive loss | | (4,447) |
| Accumulated deficit | | (71,423) |
| **Total equity** | | **2,450,956** |
| **Total liabilities and equity** | **$** | **3,108,764** |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**AMR HOLDCO INC.**
**(a wholly-owned subsidiary of Envision Healthcare Corporation)**

## CONSOLIDATED STATEMENT OF OPERATIONS

**(in thousands)**

| | | Year Ended December 31, 2017 |
|---|---|---|
| Revenue | $ | 3,423,114 |
| Provision for uncollectibles | | (892,167) |
| Net revenue | | 2,530,947 |
| Operating expenses: | | |
| Salaries and benefits | | 1,399,134 |
| Supply costs | | 57,524 |
| Insurance expense | | 90,878 |
| Other operating expense | | 708,295 |
| Transaction and integration costs | | 37,255 |
| Impairment charges | | 238,746 |
| Depreciation and amortization | | 151,732 |
| Total operating expenses | | 2,683,564 |
| Equity in earnings of unconsolidated affiliates | | 549 |
| Operating loss | | (152,068) |
| Interest expense, net | | 1,988 |
| Other income, net | | (16) |
| Loss from operations before income taxes | | (154,072) |
| Income tax benefit | | 79,175 |
| **Net loss** | $ | (74,897) |
| Other comprehensive loss, net of tax: | | |
| Net change in defined benefit pension plan obligation | | (4,449) |
| **Comprehensive loss** | $ | (79,346) |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AMR HOLDCO INC.
(a wholly-owned subsidiary of Envision Healthcare Corporation)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(in thousands)

| | Investment by Parent | Accumulated Other Comprehensive Income (Loss) | Retained Earnings (Accumulated Deficit) | Total |
|---|---|---|---|---|
| **Balance at January 1, 2017** | $ 2,471,404 | $ 2 | $ 3,474 | $ 2,474,880 |
| Equity-based compensation | 4,937 | — | — | 4,937 |
| Net working capital distributed to Parent | (112,729) | — | — | (112,729) |
| Allocation of Parent corporate overhead costs | 43,840 | — | — | 43,840 |
| Acquisitions funded by Parent | 119,374 | — | — | 119,374 |
| Net loss | — | — | (74,897) | (74,897) |
| Net change in defined benefit pension plan obligation | — | (4,449) | — | (4,449) |
| **Balance at December 31, 2017** | $ 2,526,826 | $ (4,447) | $ (71,423) | $ 2,450,956 |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**AMR HOLDCO INC.**

**(a wholly-owned subsidiary of Envision Healthcare Corporation)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**(in thousands)**

| | | Year Ended December 31, 2017 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Net loss | $ | (74,897) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | |
| Depreciation and amortization | | 151,732 |
| Gain on disposal of property and equipment | | 1,399 |
| Equity in earnings of unconsolidated affiliates | | (549) |
| Impairment charges | | 238,746 |
| Dividends received | | 159 |
| Deferred income taxes | | (100,668) |
| Change in operating assets/liabilities, net of acquisitions: | | |
| Accounts receivable, net | | (60,639) |
| Supplies inventory | | 1,613 |
| Prepaid and other current assets | | 11.710 |
| Accounts payable and other accrued liabilities | | 25,973 |
| Insurance reserves | | 6,208 |
| Other assets and liabilities, net | | (24,935) |
| **Net cash provided by operating activities** | | **175,852** |
| **Cash flows from investing activities:** | | |
| Purchases of property and equipment | | (109,156) |
| Proceeds from the sale of property and equipment | | 2,355 |
| Acquisition of businesses, net of cash received | | (119,374) |
| Net change in insurance receivable | | (11,213) |
| Other investing activities | | 478 |
| **Net cash used in investing activities** | | **(236,910)** |
| **Cash flows from financing activities:** | | |
| Net working capital, overhead allocations and other transfers contributed by Parent | | 55,422 |
| Other financing activities | | (472) |
| **Net cash provided by financing activities** | | **54,950** |
| Decrease in cash and cash equivalents | | (6,108) |
| Cash and cash equivalents, beginning of period | | 14,629 |
| **Cash and cash equivalents, end of period** | $ | 8,521 |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Notes to Consolidated Financial Statements

### 1. Description of Business

AMR HoldCo Inc., along with its subsidiaries (collectively, "AMR" or the "Company") operates in 40 states and the District of Columbia, providing a full range of healthcare transportation services, including emergency ("911"), non-emergency, managed transportation, fire protection services, fixed-wing ambulance and disaster response. In addition, AMR operates 911 call and response services for large and small communities all across the United States, offers contracted medical staffing, and provides telephone triage, transportation dispatch and demand management services.

Prior to December 1, 2016, the Company was a wholly-owned subsidiary of Envision Healthcare Holdings, Inc. ("EHH"). On December 1, 2016 (the "Merger Date"), EHH, Amsurg Corp. ("Amsurg") and a direct, wholly-owned subsidiary of Amsurg completed a multi-step merger (the "Merger") whereby the surviving combined company is Envision Healthcare Corporation ("EVHC" or "Parent"). Since December 1, 2016, the Company has been a wholly-owned subsidiary of EVHC.

### 2. Summary of Accounting Policies

*Consolidation*

The consolidated financial statements of the Company include all of its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

EVHC allocated costs to AMR for a portion of its corporate overhead costs and any other costs relating to AMR that were paid under an agreement, policy or contract owned by EVHC.

A summary of allocated costs to AMR from EVHC follows (in thousands):

| | | Year Ended December 31, 2017 |
|---|---|---|
| Salaries and benefits | $ | 19,463 |
| General and administrative | | 8,744 |
| Operating | | 7,908 |
| Insurance | | 1,469 |
| Depreciation | | 6,256 |
| Total related party operating costs and expenses | $ | 43,840 |

The allocation of salaries and benefits includes personnel in various shared corporate functions of EVHC, including: C-Suite, IT/Telecom, HR/Benefits, Legal, Communications, Purchasing, Accounting/Shared Services, Compliance, Internal Audit, and Tax. General and administrative consists primarily of allocations for software licenses and maintenance, equipment rentals, travel costs for all shared functions, public relations, and recruiting. Operating expenses include outside legal, audit, tax, consulting, other professional fees, and rent for the shared corporate headquarters.

Corporate overhead costs were allocated to AMR using a methodology employed by EVHC in recent years for all shared corporate functions. The charges for the shared corporate functions are based on the time devoted to each EVHC operating division. Additionally, department managers develop allocation percentages for other cost groups, such as professional fees, consulting, travel, and all other G&A based on actual costs during the period. If possible for these cost categories, allocations are made on a specific-identification basis.

The consolidated financial statements of AMR may not include all actual expenses that would have been incurred and may not reflect AMR's combined results of operations, financial position, or cash flows had it been a stand-alone company during the period presented. Actual costs that would have been incurred if AMR were a stand-alone company would depend on various factors, including organizational structure, capital structure, and strategic decisions made in various areas, such as information technology and infrastructure. Transactions resulting from shared corporate activities between AMR and EVHC are considered to be effectively settled for cash at the time the transaction is recorded. The net effect of settlement of these transactions is reflected in the accompanying consolidated statement of cash flows as a financing activity and in the accompanying consolidated balance sheet as a net investment from EVHC, respectively.

*Investment by Parent*

Investment by Parent, in the consolidated balance sheet represents the Company's cumulative investment from the Parent for the accumulation of

- Investments in AMR
- Net cash transfers to and from AMR
- Overhead cost allocations
- Transactions between the Parent and AMR
- Net cash transactions due to the Parent's centralized cash management.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions relating to the reporting of results of operations, financial condition and related disclosure of contingent assets and liabilities at the date of the financial statements including, but not limited to, estimates and assumptions for accounts receivable, insurance-related reserves and acquired or pushed-down intangible assets. Actual results may differ from those estimates under different assumptions or conditions.

*Cash and Cash Equivalents*

Cash and cash equivalents are comprised of demand deposits at banks and highly liquid investments with a maturity of three months or less at acquisition, and are recorded at cost, which approximates market value.

*Supplies Inventory*

Parts and supplies inventory is valued at cost, determined on a first in, first out basis. Durable medical supplies are capitalized as inventory and expensed as used.

*Recent Accounting Pronouncements*

In May 2014, the FASB issued ASU 2014-09 "Revenue from Contracts with Customers," which will eliminate the transaction and industry-specific revenue recognition guidance under current GAAP and replace it with a principles-based approach using the following steps: identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the entity satisfies a performance obligation. In August 2015, the FASB issued ASU 2015-14 "Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date" which granted a one-year deferral of this ASU.

In 2016, the FASB issued the following ASUs to provide entities further clarity on the application of ASU 2014-09:

- ASU 2016-08 "Principal versus Agent Considerations (Reporting Revenue Gross versus Net)"
- ASU 2016-10 "Identifying Performance Obligations and Licensing"
- ASU 2016-12 "Narrow-Scope Improvements and Practical Expedients"
- ASU 2016-20 "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers"

The guidance in ASU 2014-09 and the subsequently related ASUs will now be effective for nonpublic entities for annual reporting periods beginning after December 15, 2018, and interim reporting periods beginning after December 15, 2019. The Company is continuing to assess the method of adoption it expects to utilize and is continuing its evaluation to determine the impact, if any, on the results of operations and cash flows. However, the Company does anticipate that, as a result of certain changes by ASU 2014-09 and the subsequently related ASUs, the majority of its provision for uncollectibles will be recognized as a direct reduction to revenues at the transaction date, instead of separately as a deduction to arrive at net revenue.

In February 2016, the FASB issued ASU No. 2016-02, "Leases" which amends existing accounting standards for lease accounting, including requiring lessees to recognize most leases on the balance sheet and making changes to lessor accounting. The standard is effective for nonpublic entities for annual periods beginning after December 15, 2019. The new standard requires a modified retrospective application for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company will adopt the new standard effective January 1, 2020. The Company expects that nearly all leases currently classified as operating leases will be classified as operating leases under the new standard with a right-of-use asset and an obligation recognized on the balance sheet at the adoption date. The Company has not yet determined the impact this ASU will have on the Company's results of operations or cash flows.

In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments (a consensus of the Emerging Issues Task Force)" which clarifies how entities should classify certain cash receipts and cash payments on the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2017, and interim periods within those years with early adoption permitted. The Company early adopted this standard retrospectively and the ASU had no impact on the Company's cash flows.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (A Consensus of the FASB Emerging Issues Task Force)" which requires entities to show the changes in cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. Entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2018, and interim periods within those years and is to be adopted retrospectively. The impact of this ASU will depend upon the amount of restricted cash during the period of adoption.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805) - Clarifying the Definition of a Business" which changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. The guidance is effective for annual periods beginning after December 15, 2018. The Company has not yet determined the impact this ASU will have on the Company's consolidated financial position, results of operations or cash flows.

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles - Goodwill and Other (Topic 350) - Simplifying the Test for Goodwill Impairment" which eliminates the requirement to calculate the implied fair value of goodwill to measure an impairment charge. Instead, companies will record an impairment charge based on the excess of a reporting unit's carrying amount over its fair value. The standard is effective for nonpublic entities for annual periods beginning after December 15, 2021, with early adoption permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company elected to early adopt ASU 2017-04 effective October 1, 2017, the date of the Company's annual impairment assessment. See Note 7 for a discussion of the Company's goodwill and other indefinite-lived intangible assets and a discussion of the results of the annual assessment.

## 3. Revenue Recognition and Accounts Receivable

*Revenue Recognition*

Net revenue primarily consists of fee for service revenue and is principally derived from the provision of medical transportation services to patients of healthcare facilities and communities served. Contract revenue and other revenue primarily represents income earned from fire protection service contracts, stand by, special event and community subsidies. Revenue generated under fire protection service contracts is recognized over the life of the contract. Subscription fees, which are generally received in advance, are deferred and recognized on a straight-line basis over the term of the subscription agreement, which is generally one year.

Revenue is billed to patients for services provided, and the Company receives payments for these services from patients or their third-party payors. Payments for services provided are generally less than billed charges. The Company recognizes fee for service revenue, net of contractual adjustments and provision for uncollectibles, at the time services are provided by healthcare providers. Services provided but not yet billed are estimated and recognized in the period services are provided. Revenue recognized for services provided during the period but are not yet billed are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patients' healthcare plan, mandated payment rates under the Medicare and Medicaid programs, and historical cash collections. The Company records net revenue from uninsured patients at an estimated realizable value, which includes a provision for uncollectible balances, based on historical cash collections (net of recoveries). The Company records revenue net of an allowance for contractual adjustments, which represents the net revenue expected to collect from third-party payors (including managed care, commercial and governmental payors such as Medicare and Medicaid) and patients insured by these payors. These expected collections are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patient's healthcare plans, mandated payment rates in the case of Medicare and Medicaid programs, and historical cash collections (net of recoveries). The provision for uncollectibles includes an estimate of uncollectible balances due from uninsured patients, uncollectible co-pay and deductible balances due from insured patients and special charges, if any, for uncollectible balances due from managed care, commercial and governmental payors.

In certain circumstances, federal law requires providers to render emergency medical services to any patient who requires care regardless of their ability to pay. Services to these patients are not considered to be charity care and provisions for uncompensated care for these services are estimated accordingly. Although the Company does provide a level of charity care it is not significant to the Company's net revenues.

Estimating net revenue is a complex process, largely due to the volume of transactions, the number and complexity of contracts with payors, the limited availability, at times, of certain patient and payor information at the time services are provided, and the length of time it takes for collections to fully mature. In the period services are provided, the Company estimates gross charges based on: billed services plus an estimate for unbilled services based on pending case data collected, estimates of contractual allowances based on contracted rates and historical or actual cash collections (net of recoveries), when available, and estimates of the provision for uncollectibles based on historical cash collections (net of recoveries) from uninsured patients. The relationship between gross charges and the allowances for both contractual adjustments and provision for uncollectibles is significantly influenced by payor mix, as collections on gross charges may vary significantly depending on whether and with whom the patients the Company provides services to in the period are insured, and the contractual relationships with their payors. Payor mix is subject to change as additional patient and payor information is obtained after the period services are provided. The Company periodically assesses the estimates of unbilled revenue, contractual adjustments, provision for uncollectibles and payor mix for a period of at least one year following the date of service by analyzing actual results, including cash collections, against estimates. Changes in these estimates are charged or credited to the consolidated statement of operations in the period that the assessment is made. Significant changes in payor mix, contractual arrangements with payors, specialty mix, acuity, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on estimates and significantly affect the results of operations and cash flows. Concentration of credit risk with respect to other payors is limited due to the large number of such payors.

The Company's billing and accounting systems provide historical trends of cash collections and contractual write-offs, accounts receivable agings and established fee adjustments from third-party payors. These estimates are recorded and monitored monthly as revenues are recognized. The principal exposure for uncollectible fee for service visits is from self-pay patients and, to a lesser extent, for co-payments and deductibles from patients with insurance.

Net revenue for the year ended December 31, 2017 consisted of the following (in thousands):

| | | |
|---|---|---|
| Revenue, net of contractual discounts, excluding subsidies and fees: | | |
| Medicare | $ 787,763 | 31 % |
| Medicaid | 241,999 | 9 % |
| Commercial insurance and managed care (excluding Medicare and Medicaid managed care) | 877,570 | 35 % |
| Self-pay | 832,098 | 33 % |
| Subtotal | 2,739,430 | 108 % |
| Other revenue | 683,684 | 27 % |
| Revenue | 3,423,114 | 135 % |
| Provision for uncollectibles | (892,167) | (35)% |
| Net revenue | $ 2,530,947 | 100 % |

*Accounts Receivable*

The Company manages accounts receivable by regularly reviewing its accounts and contracts and by providing appropriate allowances for contractual adjustments and uncollectible amounts. Some of the factors considered by management in determining the amount of such allowances are the historical trends of cash collections, contractual and bad debt write-offs, accounts receivable agings, established fee schedules, contracts with payors, changes in payor mix and procedure statistics. Actual collections of accounts receivable in subsequent periods may require changes in the estimated contractual allowance and provision for uncollectibles.

The Company tests its analysis by comparing cash collections to net patient revenues and monitoring self-pay utilization. In addition, when actual collection percentages differ from expected results, on a contract by contract basis, supplemental detailed reviews of the outstanding accounts receivable balances may be performed by the Company's billing operations to determine whether there are facts and circumstances existing that may cause a different conclusion as to the estimate of the collectability of that contract's accounts receivable from the estimate resulting from using the historical collection experience. Changes in these estimates, if any, are charged or credited to net revenues in the period of change. Material changes in estimates may result from unforeseen write-offs of patient or third-party accounts receivable, unsuccessful disputes with managed care payors, adverse macro-economic conditions which limit patients' ability to meet their financial obligations, or broad changes to government regulations that adversely impact reimbursement rates for services provided by the Company. Significant changes in payor mix, changes in contractual arrangements with payors, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on the Company's estimates and significantly affect its results of operations and cash flows. Concentration of credit risk is limited by the diversity and number of facilities, patients, payors and by the geographic dispersion of the Company's operations.

**4. Acquisitions**

The Company accounts for its business combinations under the fundamental requirements of the acquisition method of accounting and under the premise that an acquirer be identified for each business combination. The acquirer is the entity that obtains control of one or more businesses in the business combination and the acquisition date is the date the acquirer achieves control. The assets acquired and liabilities assumed at the acquisition date are recognized at their fair values as of that date, and the direct costs incurred in connection with the business combination are recorded and expensed separately from the business combination.

*2017 Acquisitions*

McCormick Ambulance

On September 29, 2017, the Company completed the acquisition of Westmed Ambulance, Inc., d/b/a McCormick Ambulance ("McCormick"). As of the closing date, McCormick provided emergency and non-emergency medical ground transportation services in the greater Los Angeles County area in California. The Company acquired McCormick to achieve certain operational and strategic benefits. The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of McCormick into the existing operations of AMR. Of the goodwill recorded, none is tax deductible.

The accounting for the McCormick acquisition is currently preliminary. The Company continues to obtain information relative to the fair values of the assets acquired and the liabilities assumed in the transaction, which could result in material changes to the amounts allocated below. The Company expects to finalize the purchase price allocation as soon as practical. The preliminary allocation of the purchase price is in the table below (in thousands):

| | |
|---|---|
| Cash and cash equivalents | $ 1,061 |
| Accounts receivable | 7,253 |
| Prepaid and other current assets | 78 |
| Property and equipment | 8,366 |
| Intangible assets | 35,000 |
| Goodwill | 39,223 |
| Accounts payable | (1,448) |
| Accrued salaries and benefits | (826) |
| Other accrued liabilities | (4,870) |
| Deferred income taxes | (16,337) |
| | $ 67,500 |

Kurtz Ambulance

On December 21, 2017, the Company completed the acquisition of Kurtz Ambulance Service, Inc. ("Kurtz"). As of the closing date, Kurtz provided emergency and non-emergency medical ground transportation services in the states of Illinois and Indiana, municipal dispatch services in Illinois, paramedic staffing services in Illinois and Wisconsin, and fire response and suppression staffing services in the states of Alabama, Arizona, Illinois, Indiana, Minnesota, New Mexico, Tennessee and Texas. The Company acquired Kurtz to achieve certain operational and strategic benefits. The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of Kurtz into the existing operations of AMR. Of the goodwill recorded, none is tax deductible.

The accounting for the Kurtz acquisition is currently preliminary. The Company continues to obtain information relative to the fair values of the assets acquired and the liabilities assumed in the transaction, which could result in material changes to the amounts allocated below. The Company expects to finalize the purchase price allocation as soon as practical.

The preliminary allocation of the purchase price, which is subject to a $0.9 million working capital adjustment, is in the table below (in thousands):

| | |
|---|---|
| Cash and cash equivalents | $ 2,261 |
| Accounts receivable | 5,467 |
| Prepaid and other current assets | 825 |
| Property and equipment | 1,189 |
| Intangible assets | 18,300 |
| Goodwill | 34,101 |
| Accounts payable | (471) |
| Accrued salaries and benefits | (2,205) |
| Other accrued liabilities | (27) |
| Other long-term liabilities | (32) |
| Deferred income taxes | (6,969) |
| | $ 52,438 |

The Kurtz acquisition is subject to an earn-out provision estimated at $7.9 million (utilizing Level 3 inputs to measure fair value) that the Company expects to pay over the next two years. The expected payment is recorded within other accrued liabilities and other long-term liabilities at December 31, 2017.

Life Guard International

On June 15, 2017, the Company completed the acquisition of Life Guard International, Inc. ("Life Guard"), which provides domestic and international fixed wing critical care transport services using its fleet of owned aircraft and is based in Nevada. The goodwill recognized in connection with the Life Guard acquisition is primarily attributable to synergies that are expected to be achieved through the integration of Life Guard into the existing operations of AMR. The total purchase price for this acquisition was allocated to goodwill of $4.1 million, other acquired intangible assets of $6.0 million and net assets of $1.6 million. These allocations are subject to adjustment based upon the completion of purchase price allocations. Of the goodwill recorded, none is tax deductible.

## 5. Fair Value Measurements

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability. The inputs used by the Company to measure fair value are classified into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3: Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

In determining the fair value of assets and liabilities that are measured on a recurring basis at December 31, 2017, the Company utilized Level 1 and 2 inputs to perform such measurement methods, which were commensurate with the market approach. There were no transfers to or from Levels 1 and 2 during the year ended December 31, 2017. The Company's non-patient receivables and accounts payable are reflected in the financial statements at cost, which approximates fair value.

The Company classifies its financial instruments that are reported at fair value based on a hierarchal framework which ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

## 6. Property and Equipment, net

Property and equipment is recorded at cost, except for property and equipment acquired through business acquisitions, which is initially recorded at fair value. Depreciation of property, plant and equipment is provided substantially on a straight line basis over their estimated useful lives, which are as follows:

| | |
|---|---|
| Buildings | 35 to 40 years |
| Leasehold improvements | Shorter of expected life or life of lease |
| Vehicles | 5 to 7 years |
| Computer hardware | 3 to 5 years |
| Other | 3 to10 years |

Maintenance and repairs that do not extend the useful life of the property are charged to expense as incurred. Gains and losses from dispositions of property and equipment are recorded in the period incurred. Property and equipment, net, consisted of the following (in thousands):

| | December 31, 2017 |
|---|---|
| Land | $ 1,877 |
| Building and building improvements | 7,306 |
| Leasehold improvements | 14,852 |
| Medical equipment and other | 117,781 |
| Vehicles | 195,667 |
| Computer hardware | 12,095 |
| Construction in process | 10,011 |
| Property and equipment | **359,589** |
| Less: Accumulated depreciation | (49,374) |
| Property and equipment, net | **$ 310,215** |

Depreciation expense was $104.6 million during the year ended December 31, 2017.

## 7. Goodwill and Intangible Assets, net

The Company's intangible assets include goodwill and other intangibles, which include the fair value of both the customer relationships and trade names. The Company's indefinite-lived intangibles include goodwill, trade names and licenses. Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company evaluates indefinite-lived intangible assets, including goodwill, for impairment at least on an annual basis and more frequently if certain indicators are encountered. Goodwill is tested at the reporting unit level, defined as an operating segment or one level below an operating segment (referred to as a component), with the fair value of the reporting unit being compared to its carrying amount. The Company consists of one reporting unit. If the fair value of a reporting unit exceeds its carrying amount, the goodwill associated with the reporting unit is not considered to be impaired. The Company completed its annual goodwill impairment test and determined that the carrying value of the Company exceeded its fair value. Accordingly, under ASU No. 2017-04 the Company recorded a non-cash impairment charge of $238.7 million to reduce goodwill. No impairment of the Company's indefinite-lived intangibles, excluding goodwill was recorded as of December 31, 2017.

To perform this evaluation, the Company derived fair value from the definitive agreement entered into by the Parent on August 7, 2017 to sell the Company to an entity controlled by funds affiliated with KKR & Co. L.P. for approximately $2.4 billion in cash. This transaction subsequently closed on March 14, 2018 (see Note 13).

The Company's finite-lived intangibles include its customer relationships, capitalized software and contract values. The Company tests its finite-lived intangibles for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The Company's policy is to recognize an impairment charge when the carrying amount is not recoverable and such amount exceeds fair value.

The following table presents changes in the carrying amount of goodwill during the year ended December 31, 2017 (in thousands):

| | Year Ended December 31, 2017 |
|---|---|
| Balance at beginning of period | $ 1,330,112 |
| New acquisitions | 77,457 |
| Measurement period adjustments related to the Merger | (10,171) |
| Goodwill impairment charges | (238,746) |
| **Balance at end of period** | **$ 1,158,652** |

Intangible assets consist primarily of customer relationships, capitalized software, trade names and certain non-amortizable licenses. The table below illustrates the useful lives of each class of intangible assets and the remaining weighted average amortization period. The Company's intangible assets, net, as of December 31, 2017 are as follows (in thousands):

| | Estimated Useful Life (Years) | Weighted Average Life | December 31, 2017 Gross Carry Amount | Accumulated Amortization | Net Carrying Amount |
|---|---|---|---|---|---|
| Definite-lived intangible assets: | | | | | |
| Customer relationships | 20 | 19 | $ 727,800 | $ (36,886) | $ 690,914 |
| Capitalized software | 3 to 5 | 4 | 46,278 | (13,089) | 33,189 |
| Trade names | 3 to 10 | 3 | 1,500 | (292) | 1,208 |
| Total definite-lived | | | 775,578 | (50,267) | 725,311 |
| Indefinite-lived intangible | | | | | |
| Licenses | | — | 16,500 | — | 16,500 |
| Trade names | | — | 210,000 | — | 210,000 |
| Total indefinite-lived intangible assets | | | 226,500 | — | 226,500 |
| **Total** | | | $ 1,002,078 | $ (50,267) | $ 951,811 |

The following table shows the expected amortization of long-lived intangible assets for each of the years ending December 31 (in thousands):

| | | |
|---|---|---|
| 2018 | $ | 48,611 |
| 2019 | | 44,857 |
| 2020 | | 41,355 |
| 2021 | | 37,862 |
| 2022 | | 37,861 |
| Thereafter | | 514,765 |
| | $ | 725,311 |

Amortization expense was $47.1 million during the year ended December 31, 2017.

## 8. Other Accrued Liabilities

Accrued liabilities were as follows as of December 31, 2017 (in thousands):

| | | December 31, 2017 |
|---|---|---|
| Insurance reserves | $ | 52,693 |
| Deferred revenue | | 24,965 |
| Other | | 99,841 |
| **Total other accrued liabilities** | $ | 177,499 |

## 9. Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the 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.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the Act) was signed into law. The Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate tax rate from 35% to 21%, for tax years beginning after December 31, 2017. As a result of the enacted rate change, we recorded a benefit of $118.6 million in deferred income tax expense for the re-measurement of the net deferred tax liability. The Company's measurement of the income tax effects of the Act for the year ended December 31, 2017 is preliminary, and is subject to change in 2018 as the Company continues to assess the effect of the Act.

Significant components of the Company's deferred taxes were as follows at December 31, 2017 (in thousands):

| | | December 31, 2017 |
|---|---|---|
| Deferred tax assets: | | |
| Accounts receivable | $ | 5,980 |
| Accrued liabilities | | 12,378 |
| Operating loss and credit carryforwards | | 37,096 |
| Insurance and other long-term liabilities | | 36,911 |
| Valuation allowances | | (15,102) |
| Total deferred tax assets | | **77,263** |
| Deferred tax liabilities: | | |
| Intangible assets | | 223,710 |
| Property and equipment | | 48,532 |
| Attribute reduction | | 33,306 |
| Total deferred tax liabilities | | **305,548** |
| **Net deferred tax liabilities** | **$** | **228,285** |

A valuation allowance is established when it is "more likely than not" that all, or a portion, of net deferred tax assets will not be realized. Based on review of available evidence, the Company has determined that it is more likely than not that certain deferred tax assets may not be realized. Therefore, a valuation allowance of $15.1 million has been established as of December 31, 2017. The Company has federal NOL carryforwards of $81.8 million which expire in the years 2019 to 2034, all of which are subject to limitations under Section 382.

Unrecognized tax benefits reflect the difference between positions taken or expected to be taken on income tax returns and the amounts that are deemed to be more likely than not to be sustained in an audit, and are recognized within other long-term liabilities in the consolidated balance sheet. The Company operates in multiple taxing jurisdictions and in the normal course of business is examined by federal and state tax authorities. The Company does not expect the final resolution of tax examinations to have a material impact on the Company's financial results. In nearly all jurisdictions, the tax years prior to 2013 are no longer subject to examination.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

| | | Year Ended December 31, 2017 |
|---|---|---|
| Balance at beginning of period | $ | 12,620 |
| Additions for tax positions of prior years | | 771 |
| Reductions for tax positions due to lapse of statute of limitations | | (224) |
| **Balance at end of period** | **$** | **13,167** |

The Company believes it is reasonably possible that its liability for unrecognized tax benefits will decrease in the next twelve months by $2.9 million as a result of audit settlements. The Company recognized $0.8 million within income tax expense in the consolidated statement of operations related to interest and penalties for the year ended December 31, 2017. The Company reversed $0.2 million of the interest and penalties previously recognized for the year ended December 31, 2017. The total amount of interest and penalty obligations recognized within other long-term liabilities in the consolidated balance sheet is $2.1 million as of December 31, 2017.

The components of income tax expense were as follows (in thousands):

| | | Year Ended December 31, 2017 |
|---|---|---|
| **Current tax expense:** | | |
| Federal | $ | 13,079 |
| State | | 8,414 |
| Total | | 21,493 |
| **Deferred tax benefit:** | | |
| Federal | | (102,308) |
| State | | 1,640 |
| Total | | (100,668) |
| **Total tax benefit:** | | |
| Federal | | (89,229) |
| State | | 10,054 |
| Total | **$** | **(79,175)** |

For the year ended December 31, 2017, the Company realized a reduction to taxes payable of approximately $23.9 million as a result of its utilization of federal NOLs.

A reconciliation of the provision for income taxes at the federal statutory rate of 35% compared to the effective tax rate is as follows (in thousands):

| | | Year Ended December 31, 2017 |
|---|---|---|
| Income tax benefit at the statutory rate | $ | (53,925) |
| Increase (decrease) in income taxes resulting from: | | |
| State taxes, net of federal | | (4,356) |
| Impairment of goodwill | | 93,672 |
| U.S. tax reform | | (118,580) |
| Other | | 4,014 |
| Income tax benefit | **$** | **(79,175)** |

## 10. Insurance

Insurance reserves are established for automobile, workers compensation, general liability and professional liability claims utilizing policies with an off shore captive insurance program through a wholly owned subsidiary of Parent. The insurance receivable represents premiums paid to the captive insurance program less payments made for claims. In those instances where the Company has obtained third party insurance coverage, the Company normally retains liability for the first $1 to $3 million of the loss. Insurance reserves cover known claims and incidents within the level of Company retention that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from activities through December 31, 2017.

The Company establishes reserves for claims based upon an assessment of claims reported and claims incurred but not reported. The reserves are established based on consultation with third party independent actuaries using actuarial principles and assumptions that consider a number of factors, including historical claim payment patterns (including legal costs) and changes in case reserves and the assumed rate of inflation in health care costs and property damage repairs. Provisions for insurance expense included in the statement of operations include annual provisions determined in consultation with third party actuaries and premiums paid to third party insurers.

The table below summarizes the non-health and welfare insurance reserves included in the accompanying balance sheet (in thousands):

| | Accrued Liabilities | Insurance Reserves | Total Liabilities |
|---|---|---|---|
| **December 31, 2017** | | | |
| Automobile | 19,595 | 37,033 | 56,628 |
| Workers' compensation | 26,359 | 55,410 | 81,769 |
| General/ Professional liability | 6,739 | 16,430 | 23,169 |
| | $ 52,693 | $ 108,873 | $ 161,566 |

### 11. Retirement Plans and Employee Benefits

*Rural/ Metro Pension Plan*

As part of the Company's acquisition of Rural/ Metro on October 28, 2015, the Company acquired a defined benefit pension plan (the "Pension Plan") that covers eligible employees of one of Rural/ Metro's subsidiaries, primarily those covered by collective bargaining arrangements. Eligibility is achieved upon the completion of one year of service. Participants become fully vested in their accrued benefit after the completion of five years of service.

The Pension Plan was amended on April 8, 2016 (the "curtailment date"), whereby the Pension Plan became frozen for all participants as of June 30, 2016. As part of the freezing of the Pension Plan, no new benefits accrue, no hours of service earned after the freeze date will count in determining a participant's credited service, and no earnings earned after the freeze date are counted in determining a participant's average annual earnings. The amendment qualified as a curtailment. The elimination of future years of service and future salaries results in the post-curtailment pension obligation being based on the accumulated benefit obligation rather than the projected benefit obligation. As a result, the Company recognized, effective on the curtailment date, a net curtailment gain of approximately $1.1 million, consisting of a $2.2 million gain from the decrease in the projected benefit obligation and a $1.1 million loss for the elimination of the accumulated net actuarial loss within other comprehensive income (loss) as of the date of the amendment.

The Company's general funding policy is to make annual contributions to the Pension Plan as required by the Employee Retirement Income Security Act. The Company made a $15.0 million contribution during the year ended December 31, 2017.

The following table shows a reconciliation of changes in the Pension Plan's benefit obligation and plan assets for the year ended December 31, 2017:

| | | Year Ended December 31, 2017 |
|---|---|---|
| **Change in benefit obligation:** | | |
| Benefit obligation at beginning of period | $ | 41,272 |
| Service cost | | — |
| Interest cost | | 1,839 |
| Benefits paid | | (175) |
| Actuarial loss | | 8,056 |
| **Benefit obligation at end of period** | | **50,992** |
| **Change in plan assets:** | | |
| Fair value of plan assets at beginning of period | | 19,283 |
| Actual return on plan assets | | 3,607 |
| Employer contributions | | 15,000 |
| Benefits paid | | (175) |
| Plan participants' contributions | | — |
| **Fair value of plan assets at end of period** | | **37,715** |
| **Funded status at end of period** | **$** | **(13,277)** |

The amount recognized in the consolidated balance sheet totaling $13.3 million as of December 31, 2017 was classified in other long-term liabilities.

Amounts in accumulated other comprehensive income (loss), before income taxes, that had not been recognized as net periodic benefit cost as of December 31, 2017, consisted of $5.7 million of accumulated net actuarial losses.

The accumulated benefit obligation for the Pension Plan was $51.0 million as of December 31, 2017.

Amortization of the net actuarial gain or loss resulting from experience different from that assumed and from changes in assumptions is included as a component of net periodic benefit cost for each year. If, at the beginning of the year, that net gain or loss exceeds 10% of the greater of the projected benefit obligation and the market-related value of plan assets, the amortization is that excess divided by the average remaining service period of participating employees expected to receive benefits under the plan.

The components of net periodic benefit cost during the year ended December 31, 2017 are as follows (in thousands):

| | | Year Ended December 31, 2017 |
|---|---|---|
| **Net periodic benefit cost** | | |
| Service cost | $ | — |
| Interest cost | | 1,839 |
| Expected return on plan assets | | (1,340) |
| Curtailment gain | | — |
| **Net periodic benefit cost** | **$** | **499** |

The assumptions used to determine the Company's benefit obligation as of December 31, 2017 were as follows:

| | December 31, 2017 |
|---|---|
| Discount rate | 3.83% |
| Rate of increase in compensation levels | N/A |

As a result of the freeze of the Pension Plan as of June 30, 2016, the rate of increase in compensation levels is not applicable as of December 31, 2017.

Current mortality tables and the mortality improvement scale issued by the Society of Actuaries were utilized in determining the Company's benefit obligation as of December 31, 2017.

The assumptions used to determine the Company's net periodic benefit cost for the year ended December 31, 2017 were as follows:

| | Year Ended December 31, 2017 |
|---|---|
| Discount rate | 4.47% |
| Rate of increase in compensation levels | N/A |
| Expected long-term rate of return on assets | 7.00% |

As a result of the freeze of the Pension Plan as of June 30, 2016, the rate of increase in compensation levels is not applicable to periods after that date.

In developing the expected long-term rate of return assumption, the Company evaluated the outputs of financial models designed to simulate results under multiple investment scenarios and to estimate long-term investment returns based on the Pension Plan's asset allocation. Expected return on plan assets is determined using the fair value of plan assets.

The Company's Pension Plan target and actual asset allocation as of December 31, 2017 by asset category are shown below:

| | Target Allocation | Actual Allocation December 31, 2017 |
|---|---|---|
| **Asset allocation:** | | |
| Equity securities | 60% – 70% | 60.0% |
| Debt securities | 25% – 40% | 32.0% |
| Real estate | 5% – 15% | 8.0% |
| Total | 100% | 100% |

The Company invests in a diversified portfolio to ensure that adverse or unexpected results from a security class will not have a detrimental impact on the entire portfolio. The portfolio is diversified by asset type, performance and risk characteristics, and number of investments. Asset classes and ranges considered appropriate for investment of the Pension Plan's assets are determined by the Pension Plan's investment committee. The asset classes include domestic and foreign equities, emerging market equities, domestic and foreign investment grade and high-yield bonds and domestic real estate.

The Company has adopted the fair value provisions (as described in Note 5) for the plan assets. The Company categorizes plan assets within a three-level fair value hierarchy.

The fair values of the Pension Plan assets as of December 31, 2017 by asset class were as follows (in thousands):

| | December 31, 2017 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets:** | | | | |
| Equity securities | $ 21,799 | $ 812 | — | $ 22,611 |
| Debt securities | 3,100 | 8,999 | — | 12,099 |
| Real estate | 781 | — | 2,224 | 3,005 |
| **Total plan assets** | **$ 25,680** | **$ 9,811** | **$ 2,224** | **$ 37,715** |

Pension Plan assets with underlying investments in real estate for which significant unobservable inputs were used to determine appraised value are classified as Level 3. The following table presents the changes in Level 3 Pension Plan assets during the year ended December 31, 2017 (in thousands):

| | **Fair Value at December 31, 2016** | **Gain on Plan Assets** | **Net Purchases/Sales** | **Net Transfers Into/(Out of) Level 3** | **Fair Value at December 31, 2017** |
|---|---|---|---|---|---|
| Real estate | $ 1,171 | $ 111 | $ 942 | — | $ 2,224 |

The Company does not expect to contribute to the Pension Plan during 2018.

Future benefit payments expected to be made from Pension Plan assets are summarized below by year (in thousands):

| **Expected benefit payments:** | |
|---|---|
| 2018 | $ 327 |
| 2019 | 424 |
| 2020 | 502 |
| 2021 | 594 |
| 2022 | 731 |
| 2023–2027 | $ 5,171 |

*Other Postemployment Benefits*

The Company participates in a 401(k) plan maintained by the Parent, for its employees and employees of certain subsidiaries who meet the eligibility requirements set forth in the Plans. Employees may contribute a maximum of 40% of their compensation each year up to the annual limit established by the Internal Revenue Service ($18,000 in 2017). The 401(k) Plans provide a 50% match on up to 6% of eligible compensation.

The Company's contributions to the Plans were $18.2 million for the year ended December 31, 2017. Contributions are included in salaries and benefits in the accompanying consolidated statement of operations.

*Collective Bargaining Agreements*

Approximately 44% of AMR employees are represented by 65 active collective bargaining agreements. There are 25 operational locations representing approximately 6,700 employees currently in the process of negotiations or will be subject to negotiation in 2018. In addition, 3 operation locations representing approximately 550 employees have contracts awaiting employee ratification. In 2019, 18 collective bargaining agreements, representing approximately 2,600 employees will be subject to negotiations in 2019. While the Company believes it maintains a good working relationship with its employees, the Company has experienced some union work actions. The Company does not expect these actions to have a material adverse effect on its ability to provide service to its patients and communities.

## 12. Commitments and Contingencies

*Lease Commitments*

The Company leases various facilities and equipment under operating lease agreements. The Company also records certain leasehold improvements and vehicles under capital leases. Assets under capital leases are capitalized using implicit interest rates at the inception of each lease. Capital leases are collateralized by the underlying assets.

Rental expense under operating leases was $52.4 million for the year ended December 31, 2017.

Future commitments which have been updated to reflect events subsequent to December 31, 2017 under non-cancellable capital and operating leases for premises, equipment and other recurring commitments are as follows (in thousands):

| | Capital Leases | Operating Leases & Other |
|---|---|---|
| **Year Ended December 31,** | | |
| 2018 | $ 307 | $ 96,117 |
| 2019 | 232 | 58,379 |
| 2020 | 252 | 42,575 |
| 2021 | 276 | 29,438 |
| 2022 | 280 | 21,911 |
| Thereafter | 31 | 55,077 |
| Total capital lease obligations | 1,378 | $ 303,497 |
| Less current portion | (85) | |
| Long-term capital lease obligations | $ 1,293 | |

*Guarantee of Parent Company Debt and Letters of Credit*

Parent company senior debt of $2.4 billion is partially guaranteed by the assets and working capital, respectively, of AMR on a full and unconditional and joint and several basis, with limited exceptions considered customary for such guarantees, including the release of the guarantee upon the sale of AMR's assets.

Parent company secured letters of credit outstanding on behalf of AMR as of December 31, 2017 were $117.7 million. Customary letter of credit fees comprise the majority of interest expense reported in the Consolidated Statement of Operations.

*Other Legal Matters*

Four putative class action lawsuits have been filed against certain subsidiaries of the Company's medical transportation business in California alleging violations of California wage and hour laws, including failure to pay overtime wages and to provide required meal and rest breaks to employees. On April 16, 2008, L. Bartoni commenced a suit in the Superior Court of California, Alameda County; on July 8, 2008, V. Banta filed suit in the Superior Court of California, Los Angeles County (L.A. Superior Court); on January 22, 2009, L. Karapetian filed suit in the L.A. Superior Court; and on March 11, 2010, M. Aguilar filed suit in L.A. Superior Court. The Aguilar and Karapetian cases were consolidated into a single action and the consolidated lawsuit was settled in 2017. In the Bartoni case, the plaintiffs dismissed their overtime claim and the court denied class certification of the meal and rest break claims, but the appellate court reversed and remanded the ruling on rest breaks for further proceedings, and the trial court subsequently certified a class on the rest period claim. The plaintiffs in Bartoni have also asserted representative claims on behalf of similarly situated employees under the California Private Attorney General Act (PAGA). In the Banta lawsuit, while the plaintiff dismissed the overtime claims and the court denied certification of the meal and rest period claims, the plaintiff also asserted representative claims under PAGA; however, in April 2018 the trial court struck the plaintiff's PAGA claims as unmanageable. Banta has filed a notice of intent to appeal. The Company is unable at this time to estimate the amount of potential damages, if any.

In February 2017, R. Rubio and R. Calleros commenced a suit in San Diego Superior Court against Rural/Metro and other entities, seeking to represent a class of California EMTs and Paramedics as to alleged rest break violations. Plaintiffs' motion for class certification is pending as of April 2018. The Company is unable at this time to estimate the amount of potential damages, if any.

In 2012, a former employee filed an under seal qui tam action against the Company alleging violations of the False Claims Act. The government investigated it and declined to intervene. The Company then learned about it when the Court unsealed the action. The private parties are currently in discovery regarding the former employee's allegations. The Company is unable at this time to estimate the amount of potential damages, if any.

In 2015, two former employees filed an under seal qui tam action against the Company in Arizona alleging violations of the False Claims Act. The government investigated it and declined to intervene. The Company then learned about it when the Court unsealed the action. The private parties are currently in discovery regarding the former employees' allegations. The Company is unable at this time to estimate the amount of potential damages, if any.

On August 31, 2016, Rural Metro of Florida received a revocation notice from the Centers for Medicare & Medicaid Services ("CMS") effective as of September 25, 2016. The revocation notice asserts that Rural Metro of Florida's Medicare privileges are revoked due to alleged ambulance billing for deceased Medicare beneficiaries. The Company disputes these findings and requested a hearing with an administrative law judge at the Department of Appeals Board. The Company is currently awaiting a decision.

On September 12, 2016, Rural Metro of Florida received a notice of payment suspension from a Medicare Administrative Contractor effective as of September 2, 2016. The payment suspension notice asserts that Rural Metro of Florida submitted certain claims for ambulance transportation services that did not meet applicable Medicare requirements. The Company disputes these findings. The Company is unable at this time to estimate the amount of potential damages, if any.

In March 2017, the Company's Rural Metro subsidiaries in Arizona received a Civil Investigative Demand ("CID") from the State of Arizona's Office of the Attorney General, Consumer Protection and Advocacy Section. The CID seeks a list of patients from 2014 to present billed more than twelve months after dates of service, and any correspondence related thereto. Rural Metro is producing documents and information in response to the CID. To the Company's knowledge, no claims have been filed against its Rural Metro subsidiaries in Arizona relating to the investigation. The Company can make no assurances as to the outcome of the investigation, including with respect to potential damages, if any.

On March 23, 2017, Rural Metro of Florida received a Civil Investigative Demand ("CID") from U.S. Attorney's Office for the Middle District of Florida requesting documentary materials and written interrogatories related to the Rural Metro of Florida's provision of services to a number of Medicare beneficiaries from September 1, 2010 to present. To the Company's knowledge, no claims have been filed against Rural Metro of Florida relating to the investigation. The Company can make no assurances as to the outcome of the investigation, including with respect to potential damages, if any.

On June 15, 2017, the Company's subsidiary, American Medical Response of Massachusetts, Inc. ("AMR of Massachusetts") received a Civil Investigative Demand ("CID") from the Commonwealth of Massachusetts Office of Attorney General. The CID seeks information on 16 transports associated with 15 Massachusetts Medicaid beneficiaries. The dates of service for the 16 transports range from 2010 to 2015. AMR of Massachusetts produced documents and information in response to the CID. To the Company's knowledge, no claims have been filed against AMR of Massachusetts relating to the investigation. The Company can make no assurances as to the outcome of the investigation, including with respect to potential damages, if any.

On September 19, 2017, the Company's subsidiary, to Rural Metro of Southern Ohio ("Rural Metro of Ohio") received a Civil Investigative Demand ("CID") from the U.S. Attorney's Office for the Eastern District of Kentucky. The CID seeks documents and interrogatory responses in connection with an investigation concerning ambulance transports out of Rural Metro's Erlanger, Kentucky operation. Rural Metro of Ohio is producing documents and information in response to the CID. To the Company's knowledge, no claims have been filed against Rural Metro of Ohio relating to the investigation. The Company can make no assurances as to the outcome of the investigation, including with respect to potential damages, if any.

The Company is involved in other litigation arising in the ordinary course of business. Management believes the outcome of these legal proceedings will not have a material adverse impact on its financial condition, results of operations or liquidity.

## 13. Subsequent Events

The Company has evaluated new information and events through May 25, 2018, which is the date these consolidated financial statements were available to be issued, to determine the need to either update these consolidated financial statements or to provide additional disclosures about those events.

*AMR Disposition*

On March 14, 2018, EVHC completed the previously announced disposition of AMR to Air Medical Group Holdings, Inc., a Delaware company ("AMGH"), an entity controlled by funds affiliated with KKR Co. L.P. AMGH acquired all of the outstanding shares of capital stock in AMR, for approximately $2.4 billion, subject to a working capital adjustment, in cash and replacement equity awards. Upon the transaction close, AMGH and AMR will operate under the parent company Global Medical Response, Inc.

Except for the information and events disclosed herein, no additional disclosures were deemed necessary by the Company.

**AMR HoldCo Inc.**
**(a wholly-owned subsidiary of Global Medical Response, Inc.)**

# CONSOLIDATED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT FOR THE PERIOD FROM MARCH 14, 2018 TO DECEMBER 31, 2018, THE PERIOD FROM JANUARY 1, 2018 TO MARCH 13, 2018 AND THE YEAR ENDED DECEMBER 31, 2017

KPMG LLP
Suite 800
1225 17th Street
Denver, CO 80202-5598

## Independent Auditors' Report

The Board of Directors
AMR HoldCo Inc.:

We have audited the accompanying consolidated financial statements of AMR HoldCo Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of operations, changes in equity, and cash flows for the period from March 14, 2018 to December 31, 2018, the period from January 1, 2018 to March 13, 2018 and the year ended December 31, 2017, 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 AMR HoldCo Inc. and its subsidiaries as of December 31, 2018 and 2017, and the results of their operations and their cash flows for the period from March 14, 2018 to December 31, 2018, the period from January 1, 2018 to March 13, 2018 and the year ended December 31, 2017, in accordance with U.S. generally accepted accounting principles.

KPMG LLP

Denver, Colorado
April 26, 2019

**AMR HOLDCO INC.**
**(a wholly-owned subsidiary of Global Medical Response, Inc.)**

**CONSOLIDATED BALANCE SHEETS**
**(in thousands)**

| | Successor December 31, 2018 | Predecessor December 31, 2017 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 237,645 | $ 8,521 |
| Insurance collateral | 90,102 | — |
| Insurance receivable from related party | — | 83,883 |
| Accounts receivable, net | 383,711 | 487,144 |
| Supplies inventory | 39,061 | 36,257 |
| Prepaid expenses | 29,424 | 23,518 |
| Other current assets | 32,042 | 11,967 |
| **Total current assets** | **811,985** | **651,290** |
| Property and equipment, net | 364,837 | 343,404 |
| Intangible assets, net | 1,020,697 | 918,622 |
| Goodwill | 794,086 | 1,158,652 |
| Other assets | 21,916 | 36,796 |
| **Total assets** | **$ 3,013,521** | **$ 3,108,764** |
| **LIABILITIES AND EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 22,638 | $ 16,589 |
| Accrued wages, benefits and taxes | 107,203 | 84,157 |
| Other accrued liabilities | 164,528 | 186,254 |
| Current portion of long-term debt and capital lease obligations | 64 | 85 |
| **Total current liabilities** | **294,433** | **287,085** |
| Long-term debt and capital lease obligations | 995 | 1,293 |
| Deferred income taxes | 45,854 | 228,285 |
| Insurance reserves | 114,164 | 108,873 |
| Other long-term liabilities | 12,517 | 32,272 |
| **Total liabilities** | **467,963** | **657,808** |
| Commitments and contingencies | | |
| Equity: | | |
| Investment by Parent/Prior Parent | 2,497,175 | 2,526,826 |
| Accumulated other comprehensive income (loss) | 4,084 | (4,447) |
| Retained earnings (accumulated deficit) | 44,299 | (71,423) |
| **Total equity** | **2,545,558** | **2,450,956** |
| **Total liabilities and equity** | **$ 3,013,521** | **$ 3,108,764** |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**AMR HOLDCO INC.**
**(a wholly-owned subsidiary of Global Medical Response, Inc.)**

**CONSOLIDATED STATEMENTS OF OPERATIONS**
**(in thousands)**

| | Successor | Predecessor | |
|---|---|---|---|
| | Period from March 14 to December 31, 2018 | Period from January 1 to March 13, 2018 | Year Ended December 31, 2017 |
| Revenue | $ 2,822,887 | $ 798,229 | $ 3,423,114 |
| Provision for uncompensated care | (719,795) | (295,024) | (892,167) |
| Net revenue | 2,103,092 | 503,205 | 2,530,947 |
| Operating expenses: | | | |
| Employee wages, benefits and taxes | 1,191,897 | 290,208 | 1,404,750 |
| Maintenance, fuel and other direct expenses | 130,156 | 34,981 | 161,362 |
| Insurance expense | 64,597 | 24,481 | 90,878 |
| Other operating expenses | 455,660 | 115,614 | 598,841 |
| Acquisition, integration and other charges | 75,111 | 11,694 | 37,255 |
| Impairment charges | — | — | 238,746 |
| Depreciation and amortization | 124,159 | 28,933 | 151,732 |
| Total operating expenses | 2,041,580 | 505,911 | 2,683,564 |
| Operating income (loss) | 61,512 | (2,706) | (152,617) |
| Interest expense, net | 834 | 252 | 1,988 |
| Equity in earnings of unconsolidated affiliates | 380 | 54 | 549 |
| Other income (loss), net | (22) | — | (16) |
| Net income (loss) before income taxes | 61,036 | (2,904) | (154,072) |
| Income tax (benefit) expense | 16,737 | 3,038 | (79,175) |
| **Net income (loss)** | $ 44,299 | $ (5,942) | $ (74,897) |
| Other comprehensive income (loss): | | | |
| Unrealized holding gains (losses) during the period | (1,117) | — | — |
| Defined benefit pension plan net gain (loss) | 6,532 | — | (4,449) |
| Deferred income tax benefit (expense), net | (1,331) | — | — |
| Total other comprehensive income (loss), net of income tax | 4,084 | — | (4,449) |
| **Comprehensive income (loss)** | **$ 48,383** | **$ (5,942)** | **$ (79,346)** |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**AMR HOLDCO INC.**
**(a wholly-owned subsidiary of Global Medical Response, Inc.)**

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
**(in thousands)**

| | Investment by Parent/ Prior Parent | Accumulated Other Comprehensive Income (Loss) | Retained Earnings (Accumulated Deficit) | Total |
|---|---|---|---|---|
| **Balance at January 1, 2017 (Predecessor)** | **$ 2,471,404** | **$ 2** | **$ 3,474** | **$ 2,474,880** |
| Equity-based compensation | 4,937 | — | — | 4,937 |
| Net working capital distributed to Prior Parent | (112,729) | — | — | (112,729) |
| Allocation of Parent corporate overhead costs | 43,840 | — | — | 43,840 |
| Acquisitions funded by Prior Parent | 119,374 | — | — | 119,374 |
| Net income (loss) | — | — | (74,897) | (74,897) |
| Net change in defined benefit pension plan obligation | — | (4,449) | — | (4,449) |
| **Balance at December 31, 2017 (Predecessor)** | **$ 2,526,826** | **$ (4,447)** | **$ (71,423)** | **$ 2,450,956** |
| Net working capital distributed to Prior Parent | (71,372) | — | — | (71,372) |
| Net income (loss) | — | — | (5,942) | (5,942) |
| **Predecessor balance prior to Acquisition on March 14, 2018** | **$ 2,455,454** | **$ (4,447)** | **$ (77,365)** | **$ 2,373,642** |
| Elimination of Predecessor equity in connection with the Acquisition | (2,455,454) | 4,447 | 77,365 | (2,373,642) |
| Successor opening equity | 2,388,431 | — | — | 2,388,431 |
| **Successor balance at March 14, 2018** | **$ 2,388,431** | **$ —** | **$ —** | **$ 2,388,431** |
| Net working capital contributed by Parent | 75,390 | — | — | 75,390 |
| Acquisitions funded by Parent | 33,354 | — | — | 33,354 |
| Net income (loss) | — | — | 44,299 | 44,299 |
| Other comprehensive income (loss), net of tax expense of $1,331 | — | 4,084 | — | 4,084 |
| **Balance at December 31, 2018 (Successor)** | **$ 2,497,175** | **$ 4,084** | **$ 44,299** | **$ 2,545,558** |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

AMR HOLDCO INC.
(a wholly-owned subsidiary of Global Medical Response, Inc.)

## CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Successor | Predecessor | |
|---|---|---|---|
| | Period from March 14 to December 31, 2018 | Period from January 1 to March 13, 2018 | Year Ended December 31, 2017 |
| **Cash flows from operating activities:** | | | |
| Net income (loss) | $ 44,299 | $ (5,942) | $ (74,897) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | | |
| Depreciation and amortization | 124,159 | 28,933 | 151,732 |
| Loss on disposal of property and equipment | 825 | 303 | 1,399 |
| Equity in earnings of unconsolidated affiliates | (380) | (54) | (549) |
| Impairment charges | — | — | 238,746 |
| Deferred income taxes | 21,064 | 2,688 | (100,668) |
| Change in operating assets/liabilities, net of acquisitions: | | | |
| Accounts receivable, net | 10,582 | 92,542 | (60,639) |
| Accounts payable | (1,682) | 7,824 | (1,499) |
| Accrued wages, benefits and taxes | 9,003 | 14,311 | 5,648 |
| Accrued liabilities | 6,745 | (29,022) | 21,824 |
| Other assets and liabilities, net | 2,496 | 5,861 | (5,245) |
| **Net cash provided by operating activities** | **217,111** | **117,444** | **175,852** |
| **Cash flows from investing activities:** | | | |
| Purchases of property and equipment | (75,341) | (23,339) | (109,156) |
| Proceeds from the sale of property and equipment | 923 | 160 | 2,355 |
| Acquisition of businesses, net of cash acquired | (33,354) | (1,396) | (119,374) |
| Net change in insurance collateral | 72,071 | (22,092) | (11,213) |
| Purchases of available for sale securities | (71,717) | — | — |
| Sales and maturities of available for sale securities | 15,145 | — | — |
| Other investing activities, net | 714 | (363) | 478 |
| **Net cash used in investing activities** | **(91,559)** | **(47,030)** | **(236,910)** |
| **Cash flows from financing activities:** | | | |
| Net working capital, overhead allocations and other transfers contributed (to) by Prior Parent | — | (77,288) | 55,422 |
| Net working capital and other transfers contributed by Parent | 110,765 | — | — |
| Other financing activities, net | (252) | (67) | (472) |
| **Net cash provided by (used in) financing activities** | **110,513** | **(77,355)** | **54,950** |
| Net increase (decrease) in cash and cash equivalents | 236,065 | (6,941) | (6,108) |
| Cash and cash equivalents, beginning of period | 1,580 | 8,521 | 14,629 |
| **Cash and cash equivalents, end of period** | **$ 237,645** | **$ 1,580** | **$ 8,521** |
| | | | |
| Supplemental disclosure of cash flow information | | | |
| Cash paid during the period for | | | |
| Income taxes, net of refunds received | $ (3,020) | $ — | $ — |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Notes to Consolidated Financial Statements

### 1. Description of Business

AMR HoldCo Inc., along with its subsidiaries (collectively, "AMR" or the "Company") operates in 40 states and the District of Columbia, providing a full range of healthcare transportation services, including emergency ("911"), non-emergency, managed transportation, fire protection services, fixed-wing ambulance and disaster response. In addition, AMR operates 911 call and response services for large and small communities all across the United States, offers contracted medical staffing, and provides telephone triage, transportation dispatch and demand management services.

Prior to March 14, 2018, the Company was a wholly-owned subsidiary of Envision Healthcare Corporation ("EVHC" or "Prior Parent"). On March 14, 2018, Global Medical Response, Inc. ("GMR" or "Parent") completed the acquisition of all outstanding equity interests of AMR (the "Acquisition"). The impacts of this acquisition, as described in Note 4, have been recognized in our financial statements beginning on March 14, 2018. Since March 14, 2018, the Company has been a wholly-owned subsidiary of GMR.

As a result of the application of purchase accounting at the Acquisition date, as well as the adoption by the Company of accounting policies to conform to those of the Parent, the Predecessor and Successor periods presented are not comparable.

As used herein the term "Predecessor" refers to the Company prior to the Acquisition date, while "Successor" refers to the Company subsequent to the Acquisition date.

### 2. Summary of Accounting Policies

*Consolidation*

The consolidated financial statements of the Company include all of its wholly-owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

During 2017, the Prior Parent allocated costs to AMR for a portion of its corporate overhead costs and any other costs relating to AMR that were paid under an agreement, policy or contract owned by EVHC.

A summary of allocated costs to AMR from EVHC follows (in thousands):

| | Year Ended December 31, 2017 |
|---|---|
| Salaries and benefits | $ 19,463 |
| General and administrative | 8,744 |
| Operating | 7,908 |
| Insurance | 1,469 |
| Depreciation | 6,256 |
| Total related party operating costs and expenses | $ 43,840 |

The allocation of salaries and benefits included personnel in various shared corporate functions of the Prior Parent, including: C-Suite, IT/Telecom, HR/Benefits, Legal, Communications, Purchasing, Accounting/Shared Services, Compliance, Internal Audit, and Tax. General and administrative consists primarily of allocations for software licenses and maintenance, equipment rentals, travel costs for all shared functions, public relations, and recruiting. Operating expenses include outside legal, audit, tax, consulting, other professional fees, and rent for the shared corporate headquarters.

Corporate overhead costs were allocated to AMR using a methodology employed by the Prior Parent for all shared corporate functions. The charges for the shared corporate functions were based on the time devoted to each EVHC operating division. Additionally, department managers developed allocation percentages for other cost groups, such as professional fees, consulting, travel, and all other G&A based on actual costs during the period. If possible for these cost categories, allocations were made on a specific-identification basis. During 2018, the Company was not utilizing services of the Prior Parent or the Parent and thus no allocation of costs for shared corporate functions are included in the financial statements.

The consolidated financial statements of AMR may not include all actual expenses that would have been incurred and may not reflect AMR's combined results of operations, financial position, or cash flows had it been a stand-alone company during the periods presented. Actual costs that would have been incurred if AMR were a stand-alone company would depend on various factors, including organizational structure, capital structure, and strategic decisions made in various areas, such as information technology and infrastructure. Transactions resulting from shared corporate activities between AMR and Parent or Prior Parent are considered to be effectively settled for cash at the time the transaction is recorded. The net effect of settlement of these transactions is reflected in the accompanying consolidated statement of cash flows as a financing activity and in the accompanying consolidated balance sheet as a net investment from Parent / Prior Parent, respectively.

*Investment by Parent / Prior Parent*

Investment by Parent/ Prior Parent, in the consolidated balance sheets represents the Company's cumulative investment from the Parent or Prior Parent for the accumulation of

- Investments in AMR
- Net cash transfers to and from AMR
- Overhead cost allocations, if any
- Transactions between the Parent or Prior Parent and AMR
- Net cash transactions due to the Parent's or Prior Parent's centralized cash management.

*Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions relating to the reporting of results of operations, financial condition and related disclosure of contingent assets and liabilities at the date of the financial statements including, but not limited to, estimates and assumptions for accounts receivable, insurance-related reserves and acquired or pushed-down intangible assets. Actual results may differ from those estimates under different assumptions or conditions.

*Cash and Cash Equivalents*

Cash and cash equivalents are comprised principally of demand deposits at banks and highly liquid short-term investments with a maturity of three months or less at acquisition, and are recorded at cost, which approximates market value.

*Supplies Inventory*

Parts and supplies inventory is valued at cost, determined on a first in, first out basis. Durable medical supplies are capitalized as inventory and expensed as used.

*Restricted Cash*

At December 31, 2018, the Company held restricted cash and cash equivalents of $34.4 million, classified within "Insurance collateral" in the accompanying consolidated balance sheets. The cash was restricted for the purpose of satisfying the obligations of the Company's wholly-owned captive insurance company. At December 31, 2017, there were no amounts held in restricted cash and cash equivalents for these purposes.

**Notes to Consolidated Financial Statements – Continued**

*Reclassifications*

To improve comparability, certain classification changes have been made in the accompanying consolidated financial statements and these notes in prior periods to conform to current year classifications. Such reclassifications had no impact on the results of operations or cash flows previously reported.

*Recent Accounting Pronouncements*

From time to time, new accounting pronouncements are issued by the Financial Account Standards Board ("FASB") or other standards setting bodies that the Company adopts as of the specified effective date. Unless otherwise discussed, the impact of any other recently issued standards that are not yet effective are either not applicable to the Company at this time or will not have a material impact on the Company's consolidated financial statements upon adoption.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers," which will eliminate the transaction and industry-specific revenue recognition guidance under current GAAP and replace it with a principle-based approach using the following steps: identify the contract(s) with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract and recognize revenue when (or as) the entity satisfies a performance obligation. In August 2015, the FASB issued ASU 2015-14 "Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date," which granted a one-year deferral of this ASU. In 2016 and 2017, the FASB issued the following ASUs to provide entities further clarity on the application of ASU 2014-09:

- ASU No. 2016-08 "Principal versus Agent Considerations (Reporting Revenue Gross versus Net)"
- ASU No. 2016-10 "Identifying Performance Obligations and Licensing"
- ASU No. 2016-12 "Narrow-Scope Improvements and Practical Expedients"
- ASU No. 2016-20 "Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers"
- ASU No. 2017-13 "Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (SEC Update)"

The guidance in ASU No. 2014-09 and the subsequently related ASUs will be effective for the Company on January 1, 2019. The Company adopted the new standard effective January 1, 2019 using the modified retrospective method. As a result of using this approach, the Company will recognize the cumulative effect adjustment to retained earnings for initial application of this guidance at the date of the initial adoption. The adoption of this standard is not expected to have a material impact on the Company's results of operations or cash flows. However, as a result of certain changes by ASU No. 2014-09 and the subsequently related ASUs, the majority of the Company's provision for uncompensated care will be recognized as a direct reduction to revenues, instead of separately as a deduction to arrive at revenue. Penalties incurred related to certain contracts will be recognized as a direct reduction to revenues, instead of separately as other operating expenses. Based on the Company's evaluation of the new standard, the Company does not expect a material impact on our revenue recognition, results of operations, cash flows or policies as a result of adopting the new standard.

The majority of our revenue is generated from fee-for-service patient revenue, which is derived principally through contracts originating from medical transport services provided to patients of healthcare facilities and communities served. Each transport constitutes a single performance obligation and, in most instances, occur at readily determinable transaction prices. In addition, the Company adopted a portfolio approach to our sources of patient revenue, applied by payor type. At these levels, portfolios share the characteristics conducive to ensuring that the results do not materially differ from the new standard applied to individual patient contracts related to each transport. Accordingly, the Company does not expect a change to how patient revenue is currently recognized. Other revenue primarily represents income earned from our fire protection service contracts, standby, special event, community subsidies and disaster relief efforts. The transaction price for these arrangements may be fixed or variable, with determination periods generally ranging from one month to 12 months. In these instances, the Company will estimate variable consideration at contract commencement and recognize revenue monthly on a straight-line basis, which correlates with the performance obligation to stand ready.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" which amends existing accounting standards for lease accounting, including requiring lessees to recognize most leases on the balance sheet and making changes to lessor accounting. The standard is effective for nonpublic entities for annual periods beginning after December 15, 2019. The new standard requires a modified retrospective application for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Company will adopt the new standard effective January 1, 2020. The Company expects that nearly all leases currently classified as operating leases will be classified as operating leases under the new standard with a right-of-use asset and an obligation recognized on the balance sheet at the adoption date. The Company has not yet determined the impact this ASU will have on the Company's results of operations or cash flows.

In November 2016, the FASB issued ASU No. 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash (A Consensus of the FASB Emerging Issues Task Force)" which requires entities to show the changes in cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. Entities will no longer present transfers between cash and cash equivalents and restricted cash and restricted cash equivalents in the statement of cash flows. The standard is effective for annual periods beginning after December 15, 2018, and interim periods within those years and is to be adopted retrospectively. In future periods, the Company's statement of cash flows will be modified to reflect all changes in cash and cash equivalents, including restricted cash.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations (Topic 805) - Clarifying the Definition of a Business" which changes the definition of a business to assist entities with evaluating when a set of transferred assets and activities is a business. The guidance requires an entity to evaluate if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. The guidance is effective for annual periods beginning after December 15, 2018. The adoption of ASU No. 2017-01 is not expected to impact the Company's consolidated financial statements.

## 3. Revenue Recognition and Accounts Receivable

*Revenue Recognition*

Net revenue primarily consists of fee for service revenue and is principally derived from the provision of medical transportation services to patients of healthcare facilities and communities served. Other revenue primarily represents income earned from fire protection service contracts, stand by, special event and community subsidies. Revenue generated under fire protection service contracts is recognized over the life of the contract. Subscription fees, which are generally received in advance, are deferred and recognized on a straight-line basis over the term of the subscription agreement, which is generally one year.

Revenue is billed to patients for services provided, and the Company receives payments for these services from patients or their third-party payors. Payments for services provided are generally less than billed charges. The Company recognizes fee for service revenue, net of contractual adjustments and provision for uncompensated care, at the time services are provided by healthcare providers. Services provided but not yet billed are estimated and recognized in the period services are provided. Revenue recognized for services provided during the period but are not yet billed are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patients' healthcare plan, mandated payment rates under the Medicare and Medicaid programs, and historical cash collections. The Company records net revenue from uninsured patients at an estimated realizable value, which includes a provision for uncompensated care balances, based on historical cash collections (net of recoveries). The Company records revenue net of an allowance for contractual adjustments, which represents the net revenue expected to collect from third-party payors (including managed care, commercial and governmental payors such as Medicare and Medicaid) and patients insured by these payors. These expected collections are based on fees and negotiated payment rates in the case of third-party payors, the specific benefits provided for under each patient's healthcare plans, mandated payment rates in the case of Medicare and Medicaid programs, and historical cash collections (net of recoveries). The provision for uncompensated care includes an estimate of uncollectible balances due from uninsured patients, uncollectible co-pay and deductible balances due from insured patients and special charges, if any, for uncollectible balances due from managed care, commercial and governmental payors.

In certain circumstances, federal law requires providers to render emergency medical services to any patient who requires care regardless of their ability to pay. Services to these patients are not considered to be charity care and provisions for uncompensated care for these services are estimated accordingly. Although the Company does provide a level of charity care it is not significant to the Company's net revenues.

Estimating net revenue is a complex process, largely due to the volume of transactions, the number and complexity of contracts with payors, the limited availability, at times, of certain patient and payor information at the time services are provided, and the length of time it takes for collections to fully mature. In the period services are provided, the Company estimates gross charges based on: billed services plus an estimate for unbilled services based on pending case data collected, estimates of contractual allowances based on contracted rates and historical or actual cash collections (net of recoveries), when available, and estimates of the provision for uncompensated care based on historical cash collections (net of recoveries) from uninsured patients. The relationship between gross charges and the allowances for both contractual adjustments and provision for uncompensated care is significantly influenced by payor mix, as collections on gross charges may vary significantly depending on whether and with whom the patients the Company provides services to in the period are insured, and the contractual relationships with their payors. Payor mix is subject to change as additional patient and payor information is obtained after the period services are provided. The Company periodically assesses the estimates of unbilled revenue, contractual adjustments, provision for uncompensated care and payor mix for a period of at least one year following the date of service by analyzing actual results, including cash collections, against estimates. Changes in these estimates are charged or credited to the consolidated statement of operations in the period that the assessment is made. Significant changes in payor mix, contractual arrangements with payors, specialty mix, acuity, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on estimates and significantly affect the results of operations and cash flows. Concentration of credit risk with respect to other payors is limited due to the large number of such payors.

The Company's billing and accounting systems provide historical trends of cash collections and contractual write-offs, accounts receivable agings and established fee adjustments from third-party payors. These estimates are recorded and monitored monthly as revenues are recognized. The principal exposure for uncollectible fee for service visits is from self-pay patients and, to a lesser extent, for co-payments and deductibles from patients with insurance.

Net revenue for the period from March 14, 2018 to December 31, 2018 (Successor), the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor) consisted of the following (in thousands):

| | Successor | | Predecessor | | | |
|---|---|---|---|---|---|---|
| | Period from March 14 to December 31, 2018 | | Period from January 1 to March 13, 2018 | | Year Ended December 31, 2017 | |
| Revenue, net of contractual discounts, excluding subsidies and fees: | | | | | | |
| Medicare | $ 696,914 | 33 % | $ 222,256 | 44 % | $ 787,763 | 31 % |
| Medicaid | 210,013 | 10 % | 60,860 | 12 % | 241,999 | 9 % |
| Commercial insurance and managed care (excluding Medicare and Medicaid managed care) | 701,113 | 33 % | 221,264 | 44 % | 877,570 | 35 % |
| Self-pay | 684,446 | 33 % | 189,734 | 37 % | 832,098 | 33 % |
| Subtotal | 2,292,486 | 109 % | 694,114 | 137 % | 2,739,430 | 108 % |
| Other revenue | 530,401 | 25 % | 104,115 | 21 % | 683,684 | 27 % |
| Revenue | 2,822,887 | 134 % | 798,229 | 158 % | 3,423,114 | 135 % |
| Provision for uncompensated care | (719,795) | (34)% | (295,024) | (58)% | (892,167) | (35)% |
| Net revenue | $ 2,103,092 | 100 % | $ 503,205 | 100 % | $ 2,530,947 | 100 % |

*Accounts Receivable*

The Company manages accounts receivable by regularly reviewing its accounts and contracts and by providing appropriate allowances for contractual adjustments and uncollectible amounts. Some of the factors considered by management in determining the amount of such allowances are the historical trends of cash collections, contractual and bad debt write-offs, accounts receivable agings, established fee schedules, contracts with payors, changes in payor mix and procedure statistics. Actual collections of accounts receivable in subsequent periods may require changes in the estimated contractual allowance and provision for uncollectibles.

The Company tests its analysis by comparing cash collections to net patient revenues and monitoring self-pay utilization. In addition, when actual collection percentages differ from expected results, on a contract by contract basis, supplemental detailed reviews of the outstanding accounts receivable balances may be performed by the Company's billing operations to determine whether there are facts and circumstances existing that may cause a different conclusion as to the estimate of the collectability of that contract's accounts receivable from the estimate resulting from using the historical collection experience. Changes in these estimates, if any, are charged or credited to net revenues in the period of change. Material changes in estimates may result from unforeseen write-offs of patient or third-party accounts receivable, unsuccessful disputes with managed care payors, adverse macro-economic conditions which limit patients' ability to meet their financial obligations, or broad changes to government regulations that adversely impact reimbursement rates for services provided by the Company. Significant changes in payor mix, changes in contractual arrangements with payors, business office operations, general economic conditions and health care coverage provided by federal or state governments or private insurers may have a significant impact on the Company's estimates and significantly affect its results of operations and cash flows. Concentration of credit risk is limited by the diversity and number of facilities, patients, payors and by the geographic dispersion of the Company's operations.

## 4. Acquisitions

The Company accounts for its business combinations under the fundamental requirements of the acquisition method of accounting and under the premise that an acquirer be identified for each business combination. The acquirer is the entity that obtains control of one or more businesses in the business combination and the acquisition date is the date the acquirer achieves control. The assets acquired and liabilities assumed at the acquisition date are recognized at their fair values as of that date, and the direct costs incurred in connection with the business combination are recorded and expensed separately from the business combination.

On March 14, 2018, GMR completed the acquisition of all of the outstanding equity interests of the Company for a total purchase price of $2.45 billion, subject to working capital adjustments of ($60.3) million, paid in cash and rollover equity awards valued at $10.0 million. Since March 14, 2018, the Company has been a wholly-owned subsidiary of GMR. Pursuant to the purchase agreement, the EVHC and GMR agreed to a Section 338(h)(10) election of the Internal Revenue Code allowing GMR to achieve certain tax benefits in exchange for additional purchase consideration reflected in the total purchase price above.

The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of AMR under GMR. The total amount of goodwill that is expected to be deductible for tax purposes is $646.8 million.

The accounting for the AMR acquisition is currently preliminary. The Company continues to obtain information relative to the fair values of the assets acquired and liabilities assumed in the transaction, which could result in material changes to the amounts allocated below. The Company expects to finalize the purchase price allocation during the first quarter of 2019.

The preliminary allocation of the AMR purchase price is in the table below (in thousands):

| | **Value Assigned** |
|---|---|
| Cash and cash equivalents | $ 1,580 |
| Insurance collateral | 106,084 |
| Accounts receivable | 394,293 |
| Spare parts, medical supplies, and fuel | 37,018 |
| Prepaid and other current assets | 64,780 |
| Property and equipment | 384,972 |
| Intangible assets | 1,039,000 |
| Goodwill | 772,946 |
| Other assets | 38,422 |
| Accounts payable | (24,320) |
| Accrued wages, benefits and taxes | (97,841) |
| Other accrued liabilities | (151,939) |
| Capital lease obligations | (1,311) |
| Deferred income taxes | (23,459) |
| Insurance reserves | (117,946) |
| Other long-term liabilities | (33,848) |
| | **$ 2,388,431** |

Included in other accrued liabilities and other long-term liabilities is an earn-out provision related to the Kurtz acquisition of approximately $8.1 million, as discussed further below.

*2017 Acquisitions*

McCormick Ambulance

On September 29, 2017, the Company completed the acquisition of Westmed Ambulance, Inc., d/b/a McCormick Ambulance ("McCormick"). As of the closing date, McCormick provided emergency and non-emergency medical ground transportation services in the greater Los Angeles County area in California. The Company acquired McCormick to achieve certain operational and strategic benefits. The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of McCormick into the existing operations of AMR. Of the goodwill recorded, none is tax deductible.

The final allocation of the purchase price is in the table below (in thousands):

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 1,061 |
| Accounts receivable | | 7,253 |
| Prepaid and other current assets | | 78 |
| Property and equipment | | 8,366 |
| Intangible assets | | 35,000 |
| Goodwill | | 42,368 |
| Accounts payable | | (354) |
| Accrued wages, benefits and taxes | | (826) |
| Other accrued liabilities | | (5,964) |
| Deferred income taxes | | (19,482) |
| | $ | 67,500 |

Kurtz Ambulance

On December 21, 2017, the Company completed the acquisition of Kurtz Ambulance Service, Inc. ("Kurtz"). As of the closing date, Kurtz provided emergency and non-emergency medical ground transportation services in the states of Illinois and Indiana, municipal dispatch services in Illinois, paramedic staffing services in Illinois and Wisconsin, and fire response and suppression staffing services in the states of Alabama, Arizona, Illinois, Indiana, Minnesota, New Mexico, Tennessee and Texas. The Company acquired Kurtz to achieve certain operational and strategic benefits. The goodwill recognized in connection with the acquisition is primarily attributable to synergies that are expected to be achieved through the integration of Kurtz into the existing operations of AMR. Of the goodwill recorded, none is tax deductible.

The final allocation of the purchase price is in the table below (in thousands):

| | | |
|---|---|---|
| Cash and cash equivalents | $ | 866 |
| Accounts receivable | | 5,159 |
| Prepaid and other current assets | | 935 |
| Property and equipment | | 1,155 |
| Intangible assets | | 18,300 |
| Goodwill | | 37,564 |
| Other assets | | 10 |
| Accounts payable | | (282) |
| Accrued wages, benefits and taxes | | (1,758) |
| Other accrued liabilities | | (2,186) |
| Other long-term liabilities | | (33) |
| Deferred income taxes | | (6,853) |
| | $ | 52,877 |

The Kurtz acquisition is subject to an earn-out provision of $8.1 million expected to be paid out over the two years following the AMR acquisition.

**Notes to Consolidated Financial Statements – Continued**

*Other Acquisitions*

During the years ended December 31, 2018 and 2017, the Company paid $32.4 million and $11.7 million, in cash, in total aggregate purchase consideration for certain acquisitions. The Company acquired each of these companies in order to achieve certain operational and strategic benefits.

The other acquisitions completed during the years ended December 31, 2018 and 2017 consist of the following:

| Acquired Operation | Location | Date Acquired | Transportation Specialty |
|---|---|---|---|
| MedCare Emergency Health, Inc. | Massachusetts | December 2018 | Ground medical |
| Physicians Transport Service LLC | Virginia | June 2018 | Ground medical |
| Southern Colorado Rural Emergency Medical Service, Inc. | Colorado | June 2018 | Ground medical |
| Life Guard International | Nevada | June 2017 | Air medical |

The acquisition date fair value of the total consideration transferred and acquisition date fair value of each major class of assets and liabilities for the other acquisitions completed during 2018 and 2017 are as follows (in thousands):

| | 2018 | 2017 |
|---|---|---|
| Cash and cash equivalents | $ — | $ 160 |
| Accounts receivable | — | 1,494 |
| Prepaid and other current assets | — | 65 |
| Spare parts, medical supplies and fuel | 225 | — |
| Property and equipment | 1,702 | 2,738 |
| Intangible assets | 9,775 | 6,000 |
| Goodwill | 21,140 | 3,282 |
| Accounts payable | — | (245) |
| Accrued wages, benefits and taxes | (359) | (7) |
| Other accrued liabilities | (50) | (26) |
| Deferred income taxes | — | (1,720) |
| Intangible assets | $ 32,433 | $ 11,741 |

The total amount of goodwill that is expected to be deductible for tax purposes for other acquisitions completed during the year ended December 31, 2018 is $21.3 million. No goodwill recorded for the other acquisition completed during 2017 is expected to be deductible for tax purposes.

The accounting for other acquisitions completed during 2018 is currently preliminary. The Company continues to obtain information relative to the fair values of the assets acquired and liabilities assumed in the transactions, which could result in material changes to the amounts allocated above. The Company expects to finalize the purchase price allocations for these other acquisitions as soon as practicable. The purchase price allocation for the other acquisition completed during 2017 is considered final.

## 5. Fair Value Measurements

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between market participants to sell the asset or transfer the liability. The inputs used by the Company to measure fair value are classified into the following hierarchy:

Level 1: Quoted prices in active markets for identical assets or liabilities. The Company does not adjust the quoted price for these assets or liabilities, which include investments held in connection with the Company's captive insurance program.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability through corroboration with market data at the measurement date.

**Notes to Consolidated Financial Statements – Continued**

Level 3: Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Balances in this category include the Company's estimate, using a combination of internal and external fair value analyses, of contingent consideration for certain acquisitions described in Note 4.

The Company classifies its financial instruments that are reported at fair value based on a hierarchal framework which ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is impacted by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

The following table summarizes the valuation of the Company's financial instruments by the above fair value hierarchy levels as of December 31, 2018 (in thousands):

| | December 31, 2018 | | | |
|---|---|---|---|---|
| **Description** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Assets:** | | | | |
| Available-for-sale securities | 55,738 | — | — | 55,738 |
| **Liabilities:** | | | | |
| Contingent consideration | — | — | 8,177 | 8,177 |

As of December 31, 2017, we had contingent consideration of $7.9 million classified as Level 3 liabilities.

*Insurance Collateral*

Insurance collateral is comprised of investments in U.S. Treasuries and marketable equity and debt securities held by the Company's wholly-owned captive insurance subsidiary that support the Company's insurance programs and reserves, as well as cash deposits with third parties. Certain of these investments, if sold or otherwise liquidated, would have to be replaced by other suitable financial assurances and are, therefore, considered restricted. These investments are designated as available-for-sale and reported at fair value with the related temporary unrealized gains and losses reported as a separate component of accumulated other comprehensive income (loss), net of deferred income tax. Declines in the fair value of a marketable investment security which are determined to be other-than-temporary are recognized in the statements of operations, thus establishing a new cost basis for such investment. Investment income earned on these investments is reported as a component of other income, net in the accompanying statements of operations. Realized gains and losses are determined based on an average cost basis.

Investments are generally classified within Level 1 or Level 2 of the fair value hierarchy because they are valued using quoted market prices, broker or dealer quotations, or alternative pricing sources with reasonable levels of price transparency.

Insurance collateral consisted of the following as of December 31, 2018 (in thousands):

| | **2018** |
|---|---|
| Available-for-sale securities: | |
| U.S. Treasuries | $ 118 |
| Corporate bonds/Fixed income | 9,230 |
| Corporate equity | 46,390 |
| Total available-for-sale securities | 55,738 |
| Cash deposits and other | 34,364 |
| **Insurance Collateral** | $ 90,102 |

**Notes to Consolidated Financial Statements – Continued**

There was no insurance collateral as of December 31, 2017. During 2017, the Company held insurance policies with an off shore captive insurance program through a wholly-owned subsidiary of the Prior Parent. As of December 31, 2017, a $83.9 million insurance receivable was recorded which represented premiums paid to this captive insurance program, less payments made for claims.

Amortized cost basis and aggregate fair value of the Company's available-for-sale securities as of December 31, 2018 were as follows (in thousands):

| | December 31, 2018 | | | |
|---|---|---|---|---|
| | Cost Basis | Gross Unrealized Gains | Gross Unrealized Losses | Fair Value |
| Description: | | | | |
| U.S. Treasuries | $ 116 | $ 2 | $ — | $ 118 |
| Corporate bonds/Fixed Income | 46,702 | 155 | (467) | 46,390 |
| Corporate equity | 10,037 | 8 | (815) | 9,230 |
| Total available-for-sale securities | $ 56,855 | $ 165 | $ (1,282) | $ 55,738 |

As of December 31, 2018, available-for-sale securities included U.S Treasuries, corporate bonds and fixed income securities of $5.0 million with contractual maturities within one year and $18.6 million with contractual maturities extending longer than one year through five years and $22.9 million with contractual maturities extending longer than five years. Actual maturities may differ from contractual maturities as a result of the Company's ability to sell these securities prior to maturity.

The Company evaluates the investment securities available-for-sale on a quarterly basis to determine whether declines in the fair value of these securities are other-than-temporary. The evaluation consists of reviewing the fair value of the security compared to the carrying amount, the historical volatility of the price of each security, and any industry and company specific factors related to each security. There were no available-for-sale investment securities that were other-than-temporarily impaired as of December 31, 2018.

The Company is not aware of any specific factors indicating that the underlying issuers of the corporate bonds/fixed income securities would not be able to pay interest as it becomes due or repay the principal amount at maturity. Therefore, the Company believes that the changes in the estimated fair values of these debt securities are related to temporary market fluctuations and the Company does not intend to dispose of these investments. Additionally, the Company is not aware of any specific factors which indicate the unrealized losses on the investments in corporate equity securities are due to anything other than temporary market fluctuations.

The Company realized net losses of less than $0.1 million on the sales and maturities of available-for-sale securities for the period from March 14, 2018 to December 31, 2018 (Successor). No realized net gain (loss) was incurred for the period from January 1, 2018 to March 13, 2018 (Predecessor) or the year ended December 31, 2017 (Predecessor).

## 6. Property and Equipment, net

Property and equipment is recorded at cost, except for property and equipment acquired through business acquisitions, which is initially recorded at fair value. Depreciation of property, plant and equipment is provided substantially on a straight line basis over their estimated useful lives, which are as follows:

| | |
|---|---|
| Buildings | 35 to 40 years |
| Leasehold improvements | Shorter of expected life or life of lease |
| Vehicles | 5 to 7 years |
| Computer hardware | 3 to 5 years |
| Other | 3 to10 years |

Maintenance and repairs that do not extend the useful life of the property are charged to expense as incurred. Gains and losses from dispositions of property and equipment are recorded in the period incurred. Property and equipment, net, consisted of the following (in thousands):

| | December 31, 2018 | December 31, 2017 |
|---|---|---|
| Land | $ 3,003 | $ 1,877 |
| Building and building improvements | 7,305 | 7,306 |
| Leasehold improvements | 15,408 | 14,852 |
| Medical equipment and other | 118,577 | 117,781 |
| Vehicles | 203,686 | 195,667 |
| Computer hardware and software | 86,877 | 58,373 |
| Construction in process | 18,663 | 10,011 |
| Property and equipment | 453,519 | 405,867 |
| Less: Accumulated depreciation | (88,682) | (62,463) |
| Property and equipment, net | $ 364,837 | $ 343,404 |

Depreciation expense was $96.1 million for the period from March 14, 2018 to December 31, 2018 (Successor) and $21.5 million and $117.3 million for the period from January 1, 2018 to March 31, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively.

## 7. Goodwill and Intangible Assets, net

The Company's intangible assets include goodwill and other intangibles, which include the fair value of both the customer relationships and trade names. The Company's indefinite-lived intangibles include goodwill, trade names and licenses. Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company evaluates indefinite-lived intangible assets, including goodwill, for impairment at least on an annual basis and more frequently if certain indicators are encountered. Goodwill is tested at the reporting unit level, defined as an operating segment or one level below an operating segment (referred to as a component), with the fair value of the reporting unit being compared to its carrying amount. The Company consists of one reporting unit. If the fair value of a reporting unit exceeds its carrying amount, the goodwill associated with the reporting unit is not considered to be impaired.

The Company completed its annual impairment test as of October 1, 2018, using a qualitative assessment and determined that its indefinite-lived intangibles were not impaired. The Company's finite-lived intangibles include its customer relationships and testing for impairment is performed whenever events or circumstances indicate that the carrying amount may not be recoverable. The Company's policy is to recognize an impairment change when the carrying amount is not recoverable and such amount exceeds fair value. During the periods from March 14, 2018 to December 31, 2018 (Successor) and from January 1, 2018 to March 13, 2018 (Predecessor), there were no events or circumstances that indicated a potential impairment in the Company's finite-lived intangibles.

**Notes to Consolidated Financial Statements – Continued**

At December 31, 2017, it was determined that the carrying value of the Company exceeded its fair value. Accordingly, under ASU No. 2017-04 the Company recorded a non-cash impairment charge of $238.7 million to reduce goodwill. No impairment of the Company's indefinite-lived intangibles, excluding goodwill was recorded as of December 31, 2017.

To perform this evaluation, the Company derived fair value from the definitive agreement entered into by the Prior Parent on August 7, 2017 to sell the Company to an entity controlled by funds affiliated with KKR & Co. L.P. for approximately $2.45 billion in cash. This transaction subsequently closed on March 14, 2018.

The following table presents changes in the carrying amount of goodwill during the years ended December 31, 2018 and 2017 (in thousands):

| | Year Ended December 31, 2018 | Year Ended December 31, 2017 |
|---|---|---|
| Balance at beginning of period | $ 1,158,652 | $ 1,330,112 |
| Measurement period adjustments | 5,105 | (10,171) |
| Elimination of Predecessor goodwill | (1,163,757) | — |
| Goodwill established as a result of the Acquisition | 772,946 | — |
| New acquisitions | 21,140 | 77,457 |
| Goodwill impairment charges | — | (238,746) |
| **Balance at end of period** | **$ 794,086** | **$ 1,158,652** |

Intangible assets consist primarily of customer relationships, non-amortizing trade names and certain non-amortizable licenses. The table below illustrates the useful lives of each class of intangible assets and the remaining weighted average amortization period.

| Amortizable Intangibles Assets | Estimated Useful Life | Weighted Average Amortization Period |
|---|---|---|
| Customer relationships | 20 years | 19 years |

The Company's intangible assets, net, as of December 31, 2018 and 2017 are as follows (in thousands):

| | December 31, 2018 | | | December 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Amortizable intangible assets: | | | | | | |
| Customer relationships | $ 705,776 | $ (28,079) | $ 677,697 | $ 727,800 | $ (36,886) | $ 690,914 |
| Trade names | — | — | — | 1,500 | (292) | 1,208 |
| Total amortizing intangible assets | 705,776 | (28,079) | 677,697 | 729,300 | (37,178) | 692,122 |
| Non-amortizable intangible assets | | | | | | |
| Licenses | 17,000 | — | 17,000 | 16,500 | — | 16,500 |
| Trade names | 326,000 | — | 326,000 | 210,000 | — | 210,000 |
| Total non-amortizing intangible assets | 343,000 | — | 343,000 | 226,500 | — | 226,500 |
| **Total intangibles, net** | **$ 1,048,776** | **$ (28,079)** | **$ 1,020,697** | **$ 955,800** | **$ (37,178)** | **$ 918,622** |

The following table shows the expected amortization of long-lived intangible assets for each of the years ending December 31 (in thousands):

| | |
|---|---|
| 2019 | $ 35,289 |
| 2020 | 35,289 |
| 2021 | 35,289 |
| 2022 | 35,289 |
| 2023 | 35,289 |
| Thereafter | 501,252 |
| | **$ 677,697** |

Amortization expense was $28.1 million for the period from March 14, 2018 to December 31, 2018 (Successor) and $7.9 million and $34.0 million for the period from January 1, 2018 to March 31, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively

## 8. Other Accrued Liabilities

Accrued liabilities were as follows as of December 31, 2018 and 2017 (in thousands):

| | December 31, 2018 | December 31, 2017 |
|---|---|---|
| Insurance reserves | $ 48,805 | $ 52,693 |
| Deferred revenue | 26,462 | 24,965 |
| Accrued legal fees and settlements | 21,117 | 6,328 |
| Other | 68,144 | 102,268 |
| **Total other accrued liabilities** | **$ 164,528** | **$ 186,254** |

## 9. Income Taxes

The components of income tax expense (benefit) were as follows (in thousands):

| | Successor | Predecessor | |
|---|---|---|---|
| | Period from March 14 to December 31, 2018 | Period from January 1 to March 13, 2018 | Year Ended December 31, 2017 |
| **Current:** | | | |
| Federal | $ (6,670) | $ 108 | $ 13,079 |
| State | 2,343 | 242 | 8,414 |
| Total current | (4,327) | 350 | 21,493 |
| **Deferred:** | | | |
| Federal | 20,406 | 234 | (102,308) |
| State | 658 | 2,454 | 1,640 |
| Total deferred | 21,064 | 2,688 | (100,668) |
| **Total tax expense (benefit):** | | | |
| Federal | 13,736 | 342 | (89,229) |
| State | 3,001 | 2,696 | 10,054 |
| Income tax expense (benefit) | **$ 16,737** | **$ 3,038** | **$ (79,175)** |

**Notes to Consolidated Financial Statements – Continued**

A reconciliation of the provision for income taxes at the federal statutory rate of 21% (35% in 2017) compared to the effective tax rate is as follows (in thousands):

| | Successor | Predecessor | |
|---|---|---|---|
| | Period from March 14 to December 31, 2018 | Period from January 1 to March 13, 2018 | Year Ended December 31, 2017 |
| Income tax expense (benefit) at the statutory rate | $ 12,817 | $ (610) | $ (53,925) |
| Increase (decrease) in income taxes resulting from: | | | |
| State taxes, net of federal | 2,760 | 2,092 | (4,356) |
| Impairment of goodwill | — | — | 93,672 |
| U.S. tax reform | — | — | (118,580) |
| Political expenses | 7,013 | 425 | 340 |
| Valuation allowance | 3,041 | 279 | 1,031 |
| Unrecognized tax benefits | (8,770) | 166 | 548 |
| Other | (124) | 686 | 2,095 |
| Income tax expense (benefit) | **$ 16,737** | **$ 3,038** | **$ (79,175)** |

Deferred income taxes reflect the impact of temporary differences between the reported amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws and regulations. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

On December 22, 2017, the Tax Cuts and Jobs Act of 2017 (the "Tax Act") was signed into law. The Tax Act includes a number of changes to existing U.S. tax laws that impact the Company, most notably a reduction of the U.S. corporate tax rate from 35% to 21%, for tax years beginning after December 31, 2017. The Tax Act also provides for acceleration of depreciation for certain assets placed into service after September 27, 2017. As of December 31, 2018, the Company has completed its analysis of the Tax Act and no adjustments to provisional amounts were recorded.

Significant components of the Company's deferred taxes were as follows at December 31, 2018 and 2017 (in thousands):

| | December 31, 2018 | December 31, 2017 |
|---|---|---|
| Deferred tax assets: | | |
| Accounts receivable | $ 4,622 | $ 5,980 |
| Accrued liabilities | 12,226 | 12,445 |
| Operating loss and credit carryforwards | 45,113 | 37,096 |
| Insurance and other long-term liabilities | 7,071 | 36,844 |
| Deferred tax assets | 69,032 | 92,365 |
| Valuation allowances | (4,765) | (15,102) |
| Total deferred tax assets | **64,267** | **77,263** |
| Deferred tax liabilities: | | |
| Intangible assets | (15,057) | (223,710) |
| Property and equipment | (62,136) | (48,532) |
| Attribute reduction | (32,928) | (33,306) |
| Total deferred tax liabilities | **(110,121)** | **(305,548)** |
| **Net deferred income taxes** | **$ (45,854)** | **$ (228,285)** |

The reduction in the deferred tax assets and liabilities was primarily a result of purchase accounting for the Acquisition. For tax purposes, the Company elected to treat a majority of the Acquisition as a purchase of the Company's assets.

As of December 31, 2018, the Company has federal net operating loss carryforwards of $187.8 million, of which $56.7 million may expire in the years 2030-2034. A valuation allowance is established when it is "more likely than not" that all, or a portion, of net deferred tax assets will not be realized. Based on review of available evidence, the Company has determined that it is more likely than not that certain deferred tax assets may not be realized. The decrease in valuation allowance of $10.3 million is primarily attributable to the Acquisition, which eliminated certain net operating losses.

The Company operates in multiple taxing jurisdictions and in the normal course of business is examined by federal and state tax authorities. The Company considers many factors and uses judgment in estimating and assessing the impact of uncertain tax positions. Final audit results may vary from the Company's estimates. In nearly all jurisdictions, the tax years prior to 2014 are no longer subject to examination.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

| | Year Ended December 31, 2018 | Year Ended December 31, 2017 |
|---|---|---|
| Balance at beginning of period | $ 13,167 | $ 12,620 |
| Additions for tax positions of prior years | 475 | 771 |
| Reductions for settlements | (2,913) | — |
| Reductions for tax positions due to lapse of statute of limitations | (6,872) | (224) |
| **Balance at end of period** | **$ 3,857** | **$ 13,167** |

The Company recognized $0.3 million, $0.1 million and $0.8 million within income tax expense in the consolidated statements of operations related to interest and penalties for the period from March 14, 2018 to December 31, 2018 (Successor), the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively. The Company reversed $2.0 million and $0.2 million of the interest and penalties previously recognized for the period from March 14, 2018 to December 31, 2018 (Successor) and the year ended December 31, 2017 (Predecessor), respectively. No reversals of interest and penalties were recorded for the period from January 1, 2018 to March 13, 2018 (Predecessor). The total amount of interest and penalty obligations recognized within other long-term liabilities in the consolidated balance sheets is $0.5 million and $2.1 million as of December 31, 2018 and 2017, respectively. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next twelve months.

## 10. Insurance

Insurance reserves are established for automobile, workers compensation, general liability and professional liability claims utilizing policies with both fully insured and self-insured components. This includes the use of a wholly-owned off-shore captive insurance program, AMR Insurance Services, Ltd. ("AMRIS"). In those instances where the Company has obtained third party insurance coverage, the Company normally retains liability for the first $1 to $3 million of the loss. Insurance reserves cover known claims and incidents within the level of Company retention that may result in the assertion of additional claims, as well as claims from unknown incidents that may be asserted arising from activities through December 31, 2018.

During the Predecessor periods, the Company utilized an off-shore captive insurance program through a wholly-owned subsidiary of the Prior Parent. The $83.9 million insurance receivable recorded at December 31, 2017 represented premiums paid to that captive insurance program, less payments made for claims.

Notes to Consolidated Financial Statements – Continued

The Company establishes reserves for claims based upon an assessment of claims reported and claims incurred but not reported. The reserves are established based on consultation with third party independent actuaries using actuarial principles and assumptions that consider a number of factors, including historical claim payment patterns (including legal costs) and changes in case reserves and the assumed rate of inflation in health care costs and property damage repairs. Provisions for insurance expense included in the statement of operations include annual provisions determined in consultation with third-party actuaries and premiums paid to third party insurers.

The table below summarizes the non-health and welfare insurance reserves included in the accompanying balance sheets (in thousands):

| | December 31, 2018 | | | December 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Accrued Liabilities | Insurance Reserves | Total Liabilities | Accrued Liabilities | Insurance Reserves | Total Liabilities |
| Automobile | $ 16,845 | $ 39,158 | $ 56,003 | $ 19,595 | $ 37,033 | $ 56,628 |
| Workers' compensation | 23,507 | 56,922 | 80,429 | 26,359 | 55,410 | 81,769 |
| General/ Professional liability | 8,453 | 18,084 | 26,537 | 6,739 | 16,430 | 23,169 |
| | **$ 48,805** | **$ 114,164** | **$ 162,969** | **$ 52,693** | **$ 108,873** | **$ 161,566** |

## 11. Other Comprehensive Income (Loss)

The following table presents the tax effect on each component of "Other comprehensive income (loss)" for the period from March 14, 2018 to December 31, 2018 (Successor) and the year ended December 31, 2017 (Predecessor) (in thousands):

| | Period from March 14 to December 31, 2018 | | | For the year ended December 31, 2017 | | |
|---|---|---|---|---|---|---|
| | Before Tax Amount | Tax (Benefit) Expense | Net of Tax Amount | Before Tax Amount | Tax (Benefit) Expense | Net of Tax Amount |
| Unrealized holding gains (losses) on investments | $ (1,117) | $ 247 | $ (870) | $ — | $ — | $ — |
| Defined benefit pension plan net gains (loss) | 6,532 | (1,578) | 4,954 | (4,449) | — | (4,449) |
| Other comprehensive income (loss) | $ 5,415 | $ (1,331) | $ 4,084 | $ (4,449) | $ — | $ (4,449) |

There was no activity for the period from January 1, 2018 to March 13, 2018 (Predecessor).

The "Accumulated other comprehensive income (loss)" is detailed in the following table, net of tax (in thousands):

| Accumulated Other Comprehensive Income (Loss) | Unrealized holding gains (losses) on investments | Defined benefit pension plan net gains (loss) | Total |
|---|---|---|---|
| Balance at December 31, 2016 (Predecessor) | $ — | $ 2 | $ 2 |
| Other comprehensive income (loss) before reclassification | — | (4,449) | (4,449) |
| Amounts reclassified from accumulated other comprehensive income (loss) | — | — | — |
| Balance at December 31, 2017 (Predecessor) | $ — | $ (4,447) | $ (4,447) |
| Elimination of Predecessor accumulated other comprehensive income | — | 4,447 | 4,447 |
| Other comprehensive income (loss) before reclassification | (893) | 4,954 | 4,061 |
| Amounts reclassified from accumulated other comprehensive income (loss) | 23 | — | 23 |
| Balance at December 31, 2018 (Successor) | $ (870) | $ 4,954 | $ 4,084 |

## 12. Retirement Plans and Employee Benefits

*Rural/ Metro Pension Plan*

As part of the Company's acquisition of Rural/ Metro on October 28, 2015, the Company acquired a defined benefit pension plan (the "Pension Plan") that covers eligible employees of one of Rural/ Metro's subsidiaries, primarily those covered by collective bargaining arrangements. Eligibility is achieved upon the completion of one year of service. Participants become fully vested in their accrued benefit after the completion of five years of service.

The Pension Plan was amended on April 8, 2016 (the "curtailment date"), whereby the Pension Plan became frozen for all participants as of June 30, 2016. As part of the freezing of the Pension Plan, no new benefits accrue, no hours of service earned after the freeze date will count in determining a participant's credited service, and no earnings earned after the freeze date are counted in determining a participant's average annual earnings. Benefits expense under this plan was approximately $0.4 million for the period from March 14, 2018 to December 31, 2018 (Successor) and approximately $0.1 million and $0.5 million for the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively. The net accrued benefits liability under this plan totaled $7.2 million and $13.3 million at December 31, 2018 and 2017, respectively, presented within the "Other long-term liabilities" caption on the consolidated balance sheets.

The Company's general funding policy is to make annual contributions to the Pension Plan as required by the Employee Retirement Income Security Act. The Company made a $15.0 million contribution during the year ended December 31, 2017. No contributions were made during 2018.

*Other Postemployment Benefits*

The Company participates in a 401(k) plan maintained by the Parent, for its employees and employees of certain subsidiaries who meet the eligibility requirements set forth in the Plans. Employees may contribute a maximum of 40% of their compensation each year up to the annual limit established by the Internal Revenue Service ($18,500 in 2018). The 401(k) Plans provide a 50% match on up to 6% of eligible compensation.

The Company's contributions to the Plans were $16.4 million for the period from March 14, 2018 to December 31, 2018 (Successor), $3.9 million for the period from January 1, 2018 to March 13, 2018 (Predecessor), and $18.2 million for the year ended December 31, 2017. Contributions are included in salaries and benefits in the accompanying consolidated statement of operations.

*Collective Bargaining Agreements*

Approximately 42% of AMR employees are represented by 65 active collective bargaining agreements. There are 23 operational locations representing approximately 3,500 employees currently in the process of negotiations or that will be subject to negotiation in 2019. We have one operational location representing approximately 2,100 employees with a contract in the employee ratification stage. In 2020, 12 collective bargaining agreements, representing approximately 1,700 employees will be subject to negotiations. While the Company believes it maintains a good working relationship with its employees, the Company has experienced some union work actions. The Company does not expect these actions to have a material adverse effect on its ability to provide service to its patients and communities.

Notes to Consolidated Financial Statements – Continued

## 13. Commitments and Contingencies

*Lease Commitments*

The Company leases various facilities and equipment under operating lease agreements. The Company also records certain leasehold improvements and vehicles under capital leases. Assets under capital leases are capitalized using implicit interest rates at the inception of each lease. Capital leases are collateralized by the underlying assets.

Rental expense under operating leases was $46.3 million for the period from March 14, 2018 to December 31, 2018 (Successor) and $11.8 million and $52.4 million for the period from January 1, 2018 to March 13, 2018 (Predecessor) and the year ended December 31, 2017 (Predecessor), respectively.

Future commitments under non-cancellable capital and operating leases for premises, equipment and other recurring commitments are as follows (in thousands):

| | Capital Leases | Operating Leases & Other |
|---|---|---|
| **Year Ended December 31,** | | |
| 2019 | $ 233 | $ 108,273 |
| 2020 | 230 | 61,210 |
| 2021 | 227 | 44,151 |
| 2022 | 224 | 26,395 |
| 2023 | 74 | 19,647 |
| Thereafter | — | 44,902 |
| Total capital lease obligations | 988 | $ 304,578 |
| Less: Amount representing interest | (197) | |
| Long-term capital lease obligations | $ 791 | |

*Guarantee of Parent Company Debt and Letters of Credit*

Parent company debt of $4.5 billion is partially guaranteed by the assets and working capital, respectively, of AMR on a full and unconditional and joint and several basis, with limited exceptions considered customary for such guarantees, including the release of the guarantee upon the sale of AMR's assets.

Parent company secured letters of credit outstanding on behalf of AMR as of December 31, 2018 were $97.3 million. Customary letter of credit fees comprise the majority of interest expense reported in the Consolidated Statement of Operations.

*Other Legal Matters*

On April 16, 2008, L. Bartoni commenced a putative class action lawsuit in the Superior Court of California, Alameda County against certain subsidiaries of the Company's medical transportation business in California alleging violations of wage and hour laws. In the Bartoni case, the trial court subsequently certified a class on the rest period claim. The plaintiffs in Bartoni have also asserted representative claims on behalf of similarly situated employees under the California Private Attorney General Act. During the year ended December 31, 2018, the Company agreed to settle the Bartoni case and recorded a $17.0 million settlement reserve. The reserve is classified in the "Other accrued liabilities" caption of the Company's consolidated balance sheets.

On March 23, 2017, Rural Metro of Florida received a Civil Investigative Demand (CID) from the U.S. Attorney's Office for the Middle District of Florida requesting documentary materials and responses to written interrogatories related to Rural Metro of Florida's provision of services to a number of Medicare beneficiaries from September 1, 2010 to present. On March 1, 2019, Rural Metro of Florida met with government representatives to discuss the matter. There is a tolling agreement in effect until July 1, 2019. At this time, the Company can make no assurances as to the outcome of the matter.

The Company is involved in other litigation arising in the ordinary course of business. Management believes the outcome of these legal proceedings will not have a material adverse impact on its financial condition, results of operations or liquidity.

### 14. Subsequent Events

The Company has evaluated new information and events through April 26, 2019, which is the date these consolidated financial statements were available to be issued, to determine the need to either update these consolidated financial statements or to provide additional disclosures about those events. No additional disclosures were deemed necessary by the Company.

# Department of Health

## Division of Emergency Medical Services

This is to certify that

AMERICAN MEDICAL RESPONSE OF TENNESSEE INC.-WILLIAMSON COUNTY

located at 4000 CAMPBELL STATION PARKWAY
in WILLIAMSON County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS000010250

This license shall expire on 06/30/2020
and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.
Issued this 24TH day of JUNE 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By Brandon Ward
Director, Emergency Medical Services

By Lisa Piercey
Commissioner, Department of Health

# JOSHUA SPENCER

## PROFILE

- A highly motivated, well-trained EMS professional with more than 15 years clinical and management experience
- A respectful, committed, and assiduous team player with a proven track record of delivering sustainable results
- A flexible, organized, quick learner and effective communicator with a focus on operational leadership and organizational development
- A focused and motivated leader of high-performance teams with profitable margins

## CORE COMPETENCIES

- Strategic Planning
- Budgeting and Expense Control
- Operational Leadership
- Project Management
- Community Outreach
- Leadership Development

## LICENSES/CERTIFICATIONS

| | |
|---|---|
| Nationally Registered Paramedic #M5023675 | *National Registry of Emergency Medical Technicians* |
| Florida Paramedic #PMD507613 | *Florida Department of Health* |
| Alabama Paramedic #0300030 | *Alabama Department of Health* |
| Texas Paramedic #741036 | *Texas Department of State Health Services* |
| Mississippi Paramedic #1015804 | *Mississippi State Board of Health* |
| Oklahoma Paramedic #75037 | *Oklahoma State Department of Health* |
| BLS Healthcare Provider | *American Heart Association* |
| Pediatric Advanced Life Support (PALS) | *American Heart Association* |
| Advanced Cardiac Life Support (ACLS) | *American Heart Association* |
| Firefighter I | *Florida Fire College* |
| NIMS (ICS 100, 200, 300, 400, 700, 800) | *FEMA* |

## EDUCATION

**UNIVERSITY OF MARYLAND AT BALTIMORE COLLEGE** — Baltimore, Md.

*Critical Care Emergency Medical Transport Program*

**PENSACOLA STATE COLLEGE** — Pensacola, Fla.

*Associate of Applied Science in Emergency Medical Services/Paramedic Certificate*

## PROFESSIONAL EXPERIENCE

**LIFEGUARD AMBULANCE SERVICE / AMERICAN MEDICAL RESPONSE**

*Senior Director of Operations* — *Birmingham, AL* — *2017 – Present*

| | | |
|---|---|---|
| *Regional Director of Operations* | *Milton, FL* | *2015 – 2017* |
| *Operations Manager (EMS Chief)* | *Milton, FL* | *2013 – 2015* |
| *Operations Supervisor (Captain)* | *Milton, FL* | *2011 – 2013* |

- Oversee day to day operations at multiple high performance 911 and non-emergent EMS air and ground services, responsible for transporting more than 150,000 patients annually across multiple states
- Assisted in recruiting, retaining, and maintaining exceptional talent to lead a dynamic workforce of leaders responsible for delivering sustainable results through progressive protocols, innovative technology, and exceptional customer service
- Manage and oversight of operating budgets exceeding $40 million annually
- Lead and directed multiple services through process of CAAS accreditation (Commission on Accreditation of Ambulance Services)
- Successfully prepared and awarded EMS matching grants, worth more than $750,000
- Assisted in bringing rotor-wing medevac helicopter services into numerous high performance 911 systems and aligning clinical protocols with air / ground providers to deliver single source healthcare transport solutions
- Developed proposals and awarded contracts for new operations in Lamar County, MS; Brown County, TX; San Saba County, TX; Weatherford, OK; and Morgan County, AL; Baldwin County, AL; Humphreys County, TN; Panola County, MS; Columbia, SC; Charleston, SC
- Secured multiple long-term health system and 911 contracts in various states
- Identified and hired talented leaders to manage operations that are recognized across the industry as high-performance EMS systems

**ESCAMBIA COUNTY PUBLIC SAFETY** Pensacola, FL. *2007 – 2011*

*Assistant Supervisor / Field Training Officer / Paramedic*

- Provide effective and efficient basic and advanced life support care
- Perform patient assessments and make appropriate treatment decisions based on findings
- Deal with medical and emotional needs of any victim of acute illness or injury with the goal of reducing mortality and morbidity
- Responsible for managing and directing assistance at a scene, including first responders, EMTs, and law enforcement officers
- Perform treatment including, but not limited to, placement of peripheral intravenous and intra-osseous lines, endotracheal intubations, cardiac monitoring and EKG interpretations, defibrillation and cardioversion
- Management of paramedics and EMTs at a busy EMS service providing emergent and non-emergent transportation of patients
- Scheduling
- Providing orientation and instruction to new employees and students

**RURAL METRO AMBULANCE SERVICE** Milton, FL. *2001 – 2007*

*Assistant Supervisor / Field Training Officer / Paramedic*

- Provide effective and efficient basic and advanced life support care
- Perform patient assessments and make appropriate treatment decisions based on findings
- Deal with medical and emotional needs of any victim of acute illness or injury with the goal of reducing mortality and morbidity
- Responsible for managing and directing assistance at a scene, including first responders, EMTs, and law enforcement officers
- Perform treatment including, but not limited to, placement of peripheral intravenous and intra-osseous lines, endotracheal intubations, cardiac monitoring and EKG interpretations, defibrillation and cardioversion

- Management of paramedics and EMTs at a busy EMS service providing emergent and non-emergent transportation of patients
- Scheduling
- Providing orientation and instruction to new employees and students

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## COMMUNITY INVOLVEMENT, AWARDS, & ACTIVITIES

- Star of Life Award Recipient – American Ambulance Association (Washington D.C.)
- Leadership Santa Rosa Class 28 Graduate – Santa Rosa County Chamber of Commerce
- Actively involved in various State and Federal Ambulance Associations
- Attended Multiple Leadership Conferences and Economic Symposiums
- Member of NAEMT
- Boys & Girls Club Volunteer
- Gardendale, AL volunteer youth baseball, basketball, and football coach

# BRITTANY GOEBEL

7007 Nickalus Way Spring Hill, TN 37174 · 61-879-7251
Email · Brittany.Goebel@amr.net

## OBJECTIVE

I strive to obtain positions that provide superior service to the EMS community. I am a dedicated first responder and provide excellent medical skill and knowledge to the communities I serve.

## EXPERIENCE

**FEBRUARY 2014 – CURRENT**

### OPERATION SUPERVISOR, LIFEGUARD/ AMR SPRING HILL

I maintain daily operations of the E-911 operation in the city of Spring Hill. Currently operating 3 ambulances with a crew of 15 full time and 5 part-time employees. I am responsible for maintaining contractual compliance, daily schedules and relationships between community partners.

**FEBRUARY 2012 – CURRENT**

### PARAMEDIC, LIFEGUARD/AMR

Field paramedic providing ALS care in both the 911 and interfacility markets.

## EDUCATION

**CURRENT**

### HEALTH SCIENCES, MOTLOW COMMUNITY COLLEGE

Currently continuing my education in health sciences and business management. Maintaining a 3.82 GPA with projected graduation in summer 2020

**AUGUST 2011**

### PARAMEDIC, GREAT LAKES EMS ACADEMY/ LIFE EMS

Graduated top of my class and passed the NREMT on first attempt.

## SKILLS

Strong leadership skills
Computer skills in multiple business and EMS programs
Ventilator certified paramedic
Strong interpersonal skills
Instructor certifications

## ACTIVITIES

I am active in my community including volunteering in local schools and other areas of the community. I have a young family that loves spending time in the outdoors and traveling.

# Shaun Hale

Operations Director

211 Deer Cliff Lane
Alpine, TN 38543

(931) 337-4679

Shaun.Hale@amr.net

1967-08-28

https://www.facebook.com/shaun.hale.37


Career Professional with 34 years' experience in pre-hospital care with an extensive history in ground along EMS with 12.5 years of air medical HEMS. High-performing leader with over 28 years of management experience. Strong emphasis and highly skilled in leadership production, organizational structure, and customer focused relationship building. In excess of 12 years' experience in marketing campaigns, HR processes, business development, contractual agreements, sales, budget preparation, management, and conflict resolution. Responsibilities have included oversight of both ground and air medical operations with budgets more than $1 Million.

## Employment Objective

To lead, grow, and enhance an energetic and innovative team. The key focus on enhancing the company's growth and healthcare delivery system throughout the region. To leverage the vast resources within the GMR network in order to promote teamwork for providing access to healthcare in the market. To work with those resources, teams, and partners to build the most effective health care delivery team in the industry.

## Experience

**2017-09 - present**

### Operations Director Middle TN / Western KY

*American Medical Response*

Responsibilities include oversight of all Middle Tennessee and Western Kentucky 911 and/or IFT Operations (AMR, Lifeguard, Rural Metro) and lead Operations Managers and Supervisor teams. Duties also include all new base growth for these states. Responsibilities are to coordinate with and foster the relationships with all GMR ground and air companies within this region. Accomplishments include successful startup post acquisition and high profile contract (VA) completion and management.

**2005-02 - 2017-08**

### Program Director

*Air Evac Lifeteam - AMGH*

Responsibilities included daily oversight of the air medical operation. Performed all duties ranging from Business Development, Budgetary Control, Staffing, and coordination with aviation department. Began duties with AEL as a Flight Paramedic, Base Supervisor, and being promoted into the Program Director position. In 2017, transitioned over to Lifeguard within AMGH to help build ground operations in Middle Tennessee.

**2001-08 - 2005-02**

### Paramedic

*Putnam County Emergency Services*

Duties included functioning as a Lead Paramedic for the ALS system. Patient care duties in accordance with protocols and directives. Also served as an proctor EMT and Paramedic Students.

**2000-08 - 2001-08**

### Paramedic / QI Officer

*Overton County Emergency Services*

Duties include performing paramedic duties as per protocol and medical direction. Oversee the QI process for the entire operation.

**1994-11 - 2000-08**

### Engineer / Paramedic

*Jacksonville Fire & Rescue Department*

Responsible for maintaining apparatus, equipment, operation for the unit assigned. Utilized as a Paramedic for the department providing advanced life support care. Duties required supervisory capacity in the absence of the company officer. Worked with departments command structure for incidents in routine and disaster operation.

**1991-04 - 1994-11** **Lieutenant Fire Fighter-Paramedic**

*Clay County Fire Rescue*

Company Officer supervising shift under command for the county's ground EMS and fire operations. Utilized as a paramedic on ALS ground and Fire apparatus.

**1988-08 - 1991-04** **Fire Fighter Paramedic**

*Palatka Fire Rescue*

Fire Fighter Paramedic duties on both ground EMS and Fire apparatus.

**1985-08 - 1994-11** **Fire Fighter**

*Keystone Heights Fire Department*

Fire Fighter basic carrying out duties as assigned by the company officer related to fire fighting operations.

## Education

**2004-12** **Lacrosse University, Fire Safety Management, BS**

- Fire Safety Management Degree
- Graduated Bachelors of Science

**2016-12** **St. John's River State College, Emergency Medical Science, AAS**

- Graduated Cum-Laude

**2017-01 - present** **Volunteer State Community College**

- General Classes to meet requirements for work on another degree, eventual Masters Degree work
- Current GPA 4.0

**1989-09 - 1990-06** **St. Augustine Technical Center**

- Paramedic Program Certificate
- Received Certification

## Credentials

CMTE - Certified Medical Transport Executive

Paramedic Licensed

AHA Affiliate Faculty

Tennessee Licensed Instructor Coordinator EMT & Paramedic

## Skills

Just Culture / Collaborative Culture

Analytical Thinker

HR & Policy and Program development

Corporate, Government, Physician & Clinical relationship experience

Strong customer service background with Business Development Experience

Accomplished leader with strong presentation skills

Proficient with many computer software and operational programs

## Affiliations

Tennessee State Guard - 2nd Lieutenant, 68W (Medical Officer), 61st Medco.

Former Overton County Commission 2003-2006, 2016-18

Past President Livingston Rotary Club

Certified Medical Transport Expert (CMTE) MTLI

State and Local Legislative affiliations AAMS, NAEMT, TASA, KBEMS

Tennessee EMS Educators Association Member

## References

References upon request

# COVER LETTER

November 6, 2019

April Goad, City Recorder
City of Spring Hill
199 Town Center Parkway
P.O. Box 789
Spring Hill, TN 37174

RE: PROPSAL RESPONSE – CITY OF SPRING HILL – EMERGENCY AMBULANCE SERVICES

To Whom It May Concern:

First Call Ambulance, LLC ("First Call") presents the City of Spring Hill with our proposal for Emergency Ambulance Services adhering to all submission and response guidelines of your Request for Proposals posted on your website on October 17, 2019.

First Call has served all of the communities around Spring Hill since 2004. Every day, our ambulances travel in and through your community transporting patients to and from homes, nursing homes, rehabilitation centers and hospitals. We know your citizens, your roads and your officials. We currently employ EMTs and Paramedics who live in Spring Hill. Since 2012, First Call has been providing Emergency Ambulance Services for Cocke County, Tennessee. Our Chief Operating Officer, Keith Douglas, was the Chief of Sumner County Emergency Medical Services for over 11 years.

Today, we are a verified Veteran Owned Small Business operating out of seven (7) stations in Tennessee. We are in the business of caring for people during some of the worst moments of their lives and fully appreciate the weight of your decision to select a service that will honor and respect those you represent in Spring Hill. We do not discriminate on the basis of race, color, national origin, sex, age or disability and adhere to all Title VI requirements.

We understand you are seeking the highest quality, most reliable paramedic ambulance services at the most reasonable price. We are confident this proposal response will demonstrate our sincere commitment to be your best option for providing the services and relationship you expect.

Sincerely,

Scott D. Yates
President & Owner

**FIRST CALL AMBULANCE, LLC**
627 Old Hickory Blvd, Old Hickory, Tennessee 37138
*phone*: 615.921.2900 *fax*: 615.277.0649
www.firstcall-ambulance.com

## Table of Contents

## Section 1 - Qualifications and Experience

First Call Ambulance ("First Call") started providing ambulance transports in April of 2004 with only a handful of staff and three ambulances in Nashville. By 2009, the company had provided over 250,000 ambulance transports in Tennessee operating out of 6 stations in Nashville, Murfreesboro, Clarksville, Dickson, Columbia and Memphis. In 2011, a private equity firm purchased controlling interest in the company. From 2011 to 2014, the company experienced significant growth via addition of stations in Gallatin, Knoxville, Newport, Springfield, Franklin, Lebanon and western Virginia. By the end of 2012, the company had provided over 500,000 ambulance transports in Tennessee.

From late 2015 through April 2018, the company restructured its operations to the current footprint of 7 stations - Nashville, Murfreesboro, Clarksville, Dickson, Gallatin, Columbia and Newport. This month, we are opening a new station in Lebanon. In April 2017, the company provided its 1 millionth ambulance transport in Tennessee.

First Call operates the 911 ambulance service for Cocke County, Tennessee and has served in this role since October of 2012. In 2017, we were awarded a five-year extension to this contract based on our excellent performance and service to the community.

In May 2018, ownership of the company was changed via a management-led buyout. Scott Yates led the company through the restructuring from 2016 through the buyout and is now President and owner of First Call. Scott is a veteran of the United States Navy, having proudly served in the Naval Nuclear Propulsion Program. First Call is now a veteran-owned small business. A copy of the letter from the Department of Veterans Affairs regarding verification is included in Section 18 – Additional Information.

In August 2018, Keith Douglas joined First Call after retiring as the EMS Chief at Sumner County. He started his 24-year career at Sumner EMS as a dispatcher and progressed his career as dispatch supervisor, EMT, Paramedic, Systems Manager and Assistant Chief before being appointed Chief in 2008. While at Sumner County EMS Keith played an integral role in progressing the service from 7 ALS ambulances to 13 ALS and 4 BLS ambulances.

Since joining First Call, Keith has provided leadership in improving emergency and non-emergency operations in Cocke County. These improvements include strengthening the First Call leadership team, revamping the employee pay structure and providing incentives for improved documentation and quality assurance. Keith has worked closely with local leaders and hospital staff in Cocke County to improve relationships and patient outcomes.

Keith currently serves as President of the Tennessee Ambulance Service Association (TASA) where he has served on the board since 2010. In 2016, while serving as Legislative Chairman, Keith led the legislative effort to increase ground ambulance reimbursement from TennCare. This legislation has increased Medicaid reimbursement by $30 million dollars annually for Tennessee ground ambulance providers – with no cost to the State of Tennessee. Other legislative efforts that Keith has helped champion include allowing EMT training at the ambulance service level and changing antiquated law that now allows community paramedicine. Through his many years of involvement with TASA, Keith has built great relationships with EMS Directors/Chiefs across the state.

First Call takes great pride in *Transporting Patients with Personal Care and Exceptional Service* with a "People First" culture and commitment to serving the patients, families and communities in the areas we operate. We currently employ approximately 350 staff throughout our 7 stations in Tennessee. Over the past year, First Call has transported approximately 50,000 patients using over 55 Type I, II and III ambulances.

First Call is available to transport patients 24 hour per day, 7 days per week and 365 days per year. We dispatch transports for middle Tennessee out of our headquarters office in Nashville and we dispatch transports for east Tennessee out of our Newport office. If First Call is awarded the City of Spring Hill contract, we will work closely with Williamson County E-911 to effectively and efficiently respond to all calls for EMS service.

For over ten years, First Call has operated under contracts with all major hospital systems in its markets (e.g., TriStar Health, Vanderbilt Health, Tennova Healthcare, Saint Thomas Health, Williamson Medical Center). For over ten years, First Call has operated under contracts with the two brokers for TennCare Medicaid ambulance transports: Tennessee Carriers and Southeastrans. First Call operates under contract with many skilled nursing facilities, rehabilitation hospitals, psychiatric hospitals and hospice facilities as their preferred provider of ambulance transports.

Out of our 6 middle Tennessee stations, we deploy over 30 ambulances per day to serve these communities. Over the past 18 months, we have purchased 11 new ambulances to maintain a modern fleet of ambulances. Earlier this year, we deployed new tablets, push-to-talk technology and GPS tracking and ambulance monitoring devices in our fleet. We are operating under contract with AT&T FirstNet – the first high-speed, nationwide wireless broadband network dedicated to public safety.

**First Call Ambulance, LLC locations**

**Our current leadership team includes:**

**Scott Yates, President & Owner -** Scott has a long history of owning and successfully operating middle market businesses. He has extensive experience in many industries including healthcare, nuclear energy, food manufacturing, industrial distribution, electronic contract manufacturing, sporting goods manufacturing, pet products manufacturing, automotive supply chain, and management consulting. He has a Bachelor of Engineering degree in mechanical engineering from Vanderbilt University, a Masters of Engineering degree in industrial engineering from Virginia Polytechnic Institute and State University, a Masters of Business Administration degree from the J.L. Kellogg Graduate School of Management at Northwestern University and an equivalent master's degree in nuclear engineering from training during his tenure in the Naval Nuclear Propulsion Program.

**Keith Douglas, Chief Operating Officer -** Keith oversees the state-wide operations of 7 stations and approximately 50,000 annual transports of both emergency and non-emergency ambulance transportation. He previously served as the Chief for Sumner County Emergency Medical Services located northeast of Nashville where he oversaw the daily operations of 13 ALS and 4 BLS units that respond to 25,000 calls for service each year. He has been involved in public safety for 25 years serving in roles as firefighter, paramedic, EMD instructor, Fire Chief, systems & operations manager and Assistant Director of EMS.

Keith has served as President of the Middle Tennessee EMS Director's Association and currently serves as President for the Tennessee Ambulance Service Association (TASA). As Chairman of the TASA Legislative Committee, Keith helped draft and lobby for legislation that revised state law to allow for Mobile Integrated Health and Community Paramedicine in 2014. Most recently he worked directly with the Tennessee Legislature and Tennessee Medicaid office to draft and revise legislation that improved Medicaid reimbursement for ground ambulance providers across the State.

**Kayla Baker, Director of Human Resources -** Kayla began her career with First Call in 2009. Kayla was the general manager of Middle Tennessee, Scheduling Manager and Dispatch Manager prior to her role in Human Resources. Kayla's natural ability to correlate demand analysis combined with her people skills has allowed her to grow into one of our key positions at First Call. Kayla's insight helps us to confidently blend the expectations of our patients and customers with the human resources required to meet their needs.

First Call's Medical Directors are Dr. John A. Nixon for Middle Tennessee operations and Dr. Constantino Diaz-Miranda for East Tennessee operations.

## Section 2 - Scope of Work Requirements

We have reviewed in detail all of the requirements and services outlined in Section III – Scope of Work. If awarded the City of Spring Hill contract, we will meet or exceed all of the minimum requirements for the duration of the contract. Many different parts of this proposal address specific requirements (e.g., Section V.4. Experience of the Respondent is addressed in Section 1 – Qualifications and Experience). However, to follow is a list of specific Section III requirements that we attest to understanding and pledging our future compliance with if we are awarded the contract:

- First Call agrees, warrants, and assures that no person shall be excluded from participation in, be denied benefits of, or be otherwise subjected to discrimination in the performance under a contract with the City of Spring Hill or in the employment practices of First Call on the grounds of disability, age, race, color, religion, sex, national origin, or any other classification protected by Federal, Tennessee State constitutional, or statutory law.
- First Call will maintain compliance with TCA Section 68-140-201 et seq.
- First Call will maintain compliance with Rules of the Tennessee Department of Health, Chapter 1200-12-1, et seq.
- First Call will provide and pay for all administrative insurance, expertise, training, labor, materials, vehicles, equipment and associated operating expenses necessary to respond to all emergency and non-emergency calls referred to First Call by the Williamson County E-911.
- First Call will provide ambulance services within the City of Spring Hill as illustrated in Exhibit A of RFP including future areas annexed into the corporate limits of the City of Spring Hill and will be available to provide mutual aid ambulance services to surrounding jurisdictions including City of Columbia, Maury County and Williamson County.
- First Call will satisfy the response time performance requirements of nine (9) minutes or less for emergency request from Williamson County E-911 or an emergency call for help received directly from the public within the service area.
- First Call will apply for, secure and renew all licenses, permits, certificates, or similar government approvals which are or may be required by applicable law. First Call will provide copies of all licenses to the City of Spring Hill.
- First Call will accept assignment of Medicare benefits as payment and will not bill Medicare beneficiaries for any additional amount except as permitted by the Medicare Guidelines for the acceptance of assignment.
- First Call will make emergency and non-emergency services available to all persons with

the service area defined in the RFP. Fees for services will not escalate during the initial term of the Agreement.

- First Call will immediately restock its ambulance with all supplies required or return to the nearest station to restock.

- First Call will comply with all City of Spring Hill and County Emergency Management Plans as adopted by the City of Spring Hill and Maury and Williamson Counties.

- First Call will make monthly written reports to the City of Spring Hill which will include as a minimum the number of emergency and non-emergency transports, response times for emergency transports, and number of “Level Zero” periods during each reporting period.

- First Call will provide emergency services from the scene to the appropriate health facility or other location for all persons in the service area. If a patient requires advance care beyond the capabilities of area facilities, the patient will be transported to the closest appropriate facility as long as doing so does not jeopardize the patient’s health.

- First Call will supply and maintain three (3) Advance Life Support (ALS) ambulances with radios and other communication devices as required to perform the responsibilities as outlined in the RFP and that meet or exceed standards for inter-operable communications with the Williamson County E-911. First Call will maintain AVL or equivalent hardware manufactured to be used in 911 Dispatch to track and locate the closest appropriate ambulances for emergency calls that will be located in the City of Spring Hill. The three (3) ALS ambulances will be equipped with a compatible transponder or equivalent technology to be tracked by Williamson County E-911. The three (3) ALS ambulances will be fully operational when placed in service initially and throughout the term of the Agreement for respond to public needs.

- First Call will notify the City of Spring Hill EMS Coordinator whenever the following occurs: Any single incident or accident requiring the response of three (3) or more ambulances; mass casualty incidents; or motor vehicle accident involving one of the three (3) ALS ambulances.

- First Call will provide a standby ambulance or emergency medical personal for standby upon request of the Fire or Police Chief, at no additional charge to the City of Spring Hill, when there is reason to believe a life-threatening public emergency presently exists or is eminent in the City of Spring Hill, which includes standing-by a fire, rescue, and hazardous materials response incidents.

- First Call will provide, at a minimum, three (3) ALS ambulances on duty 24 hours a day, seven (7) days a week, and 365 days a year. The three (3) ALS ambulances will be no older than five (5) years or 250,000 miles. If one of the three (3) ALS ambulances is taken out of service due to mechanical failure or accident, First Call will provide a replacement ambulance that is staffed and equipped according to the RFP within forty-five (45) minutes. Further, if one of the three (3) ALS ambulances is taken out of service for preventative or routine maintenance, another ambulance will be put in place of the ambulance being taken out of service, until such time as the other ambulance is returned to service. The three (3) ALS ambulances will be available to travel in inclement weather conditions, including snow or ice.

- First Call will cooperate and coordinate its activities and services with the first responder's services with the primary goal being to enhance patient care through mutual cooperation. First Call will provide an on-scene exchange of disposable medical supplies used by the City of Spring Hill Fire and Police Departments at no additional charge.

- First Call understands and will comply with all of the Section III – Ambulance Specifications and Personnel requirements. If awarded the contract, First Call will present a methodology for monitoring driver performance for the three (3) ALS ambulances in advance of commencement of Agreement.

- First Call agrees to participate in a minimum of two community disaster drills per calendar year, as directed by either Williamson or Maury County Emergency Management. First Call also agrees to participate in additional training exercises conducted with City of Spring Hill Fire and Police Department personnel. First Call will provide EMS training to Fire and Police Department and other emergency services providers including training that is eligible for required CEU credits for emergency personnel.

- First Call understands and will comply with all of the Section III – Performance-Based Agreement, Response Damages, Performance Review and Right to Monitor and Audit requirements. First Call promises to employ whatever level-of-effort is necessary to achieve the clinical, response time, and other performance standards required and specified in the RFP.

## Section 3 - Billing and Collection Methods

First Call will provide all billing for insurance claims and facility billing for this contract, including the collection of all fees. While many ambulance companies outsource billing services, First Call performs 100% of all billing and collection with staff in our 627 Old Hickory Blvd location. We use an attention-to-detail and compassionate approach to billing and collections. Our compter aided dispatch (CAD) system is fully integrated with our electronic patient care reports and our billing system. This helps ensure that all transport and patient documentation is being accurately and securely documented. Patients also have the benefit of speaking with someone located in Tennessee if they have questions about their bill.

Our compliance program is a set up to mirror the Office of Inspector General (OIG) guidelines for ambulance service. And we are under contract with Page, Wolfberg & Wirth, LLC, a leading EMS industry law firm, to assist with any EMS legal issue.

Our billing managers and coders are Certified Ambulance Coders (CAC) through the National Academy of Ambulance Coders. All of our billing personnel receive customer service training to provide the best communication experience possible with patients. All conversations with billing personnel are recorded and those recordings are used for training purposes.

First Call works diligently to file insurance claims in a timely manner with the correct insurance for the patient. To the maximum extent possible, we file claims through our clearinghouse and receive payment via EFT into our bank account.

## Section 4 - Policies and Procedures

A full copy of our policies and procedure can be provided upon request. Our policies and procedures, along with the Tennessee EMS Treatment Protocols are the base documents that determine day-to-day operations, physician involvement and employee supervision and management.

In summary:

- We have policies and procedures that allow us to manage our staff in a supportive environment that encourages them to focus on caring for our patients' needs.
- Our Medical Directors are highly involved in all processes that lead to the care of our patients. From training and Quality Assurance to decisions on protocols and industry best practices, our Medical Directors play a critical role in our company and it is their clinical expertise that our staff bring to the patients in the field.
- Our Supervisors and Managers are empowered to teach, coach and hold our staff accountable as well as celebrate their successes and we regularly share ideas and new concepts amongst our many operations such that the entire company benefits from a single lesson learned.

Should there be any City of Spring Hill specific polices we need to implement to meet your needs, we are certainly open to discussion.

## Section 5 - Quality Control

As part of our commitment to our customers and patients, we continually review the care our staff provides for clinical excellence and complete and accurate documentation. This process allows us to monitor for trends and helps us to infuse industry best practices throughout our organization.

**Concept:** Quality Assurance ("QA") is a mechanism by which we ensure the clinical care of our staff meets industry standards within their scope of practice and that our policies, procedures and protocols regarding patient care and documentation are followed when applicable. Continuous Quality Improvement ("CQI") absorbs this and incorporates the concept that EMS is an ever-changing business with new treatment modalities, techniques, devices, drugs and dosages, etc. In essence, QA makes sure we met the bar and CQI challenges us to always move the bar up one more notch and further master our skills and expand our knowledge.

**Process:** The overall concept of QA and CQI is a simple one. Clinical staff care for patients, produce documentation that tells the story of the care provided and we are to review these documents to ensure the care provided was appropriate (QA), within scope and policy/protocol and that there are no suggestions (CQI) to new ideas, techniques or studies, etc. that might help to improve the clinical outcome of a future patient in the same scenario. All QA and CQI are clearly communicated with the clinical staff member involved with objective information only and the provider is always encouraged to respond with further information, ideas or suggestions of their own.

**Quality Assurance/Continuous Quality Improvement Process Required Transports/Responses For QA/CQI Review:** The following call types should **ALWAYS** be reviewed.

1) Any transport where the patient is transported emergency traffic with lights and sirens.

2) Any transport where the patient is administered an ALS scope of practice medication during transport other than IVPB medications that were in place prior to transport.

3) Any transport where an airway adjunct is inserted into the patient.

4) Any transport where pacing, synchronized cardioversion or defibrillation is performed by the provider (not to include internal pacemakers that the patient has surgically placed prior to the transport).

5) Any transport where cardiac or respiratory arrest occurs during the care of the patient.

6) Any response where the patient refuses transport.

7) Any transport involving a D.O.A.

8) Any transport where the patient is on a ventilator.

9) All Pediatric Intensive Care Unit transports regardless of call type.

**Suggested Transports/Responses for QA/CQI:** In addition to the above items, it is suggested that each operation seek out the following transport types when possible for review.

1) BLS medication administration transports.

2) Transports where the patient is transported to the emergency room for an acute condition.

3) If monthly training topics are in place, correlate with reviewing transports of the same type for that month.

4) If new devices, treatment modalities have recently been introduced to the area, consider reviewing transports where these are used for a period of time to ensure they are being utilized properly.

5) Transports completed by new hire employees and particularly those who are also recent graduates and are just entering the industry.

**QA/CQI System Requirements:** At minimum, each operation will review 10% of their total transport volume each month including the above required items internally and then 10% of those reviewed at the operation should go to their Medical Director for his/her review. Each operation may choose to modify the standardized "Quality Improvement Review" form to meet their needs but only by adding to the items being reviewed. The form is designed to check that critical information was documented on the particular transport type. Some items may not be applicable and can be marked as such. Some transports may require other items not found on the form and the "comments" section on the back is used to capture this.

In addition, our electronic patient care report (ePCR) system with closed call rules is automatically able to ensure that the information was captured correctly, but the transport documentation still needs to be reviewed to ensure clinical accuracy and competency.

## Section 6 - Record Keeping

First Call will make monthly written reports to the City of Spring Hill which will include as a minimum the number of emergency and non-emergency transports, response times for emergency transports, and number of “Level Zero” periods during each reporting period. With all of our customers, we routinely report and review our performance in a transparent manner. We use the review sessions to discuss specific opportunities for improvements in communication, planning, training and performance. We strive to maintain a collaborative and trusting relationship with all customers and we understand that integrity and reliability of data used in reports is crucial to maintaining trust.

First Call utilizes Traumasoft as its complete EMS Management System – computer aided dispatch (CAD), electronic patient care reporting (ePCR), billing, human resources, training, payroll, scheduling, fleet operations and more. Traumasoft is a cloud-based software system and all of our data is stored and backed up under contract with Amazon Web Services. Thus, we maintain an electronic record of all of our operations virtually indefinitely. In addition, we collect and store paper records regarding patient care and employee personnel files for the maximum amount of time required by all regulating authorities. First Call utilizes a secure, off site record storage company for all paper documents. All records, whether electronic or paper are maintained in a confidential manner compliant with all laws.

## Section 7 - Timetable for Operations

First Call is available to begin operations in the City of Spring Hill on January 1, 2020. We make this statement with confidence as we are the only private ambulance service in the middle Tennessee area that regularly deploys more than 30 ambulances each day to serve the communities in the greater Nashville area. We currently employ EMTs and Paramedics who live in Spring Hill and are recruiting in this area every day. Later this month, we will take delivery of four (4) new ambulances as part of our normal fleet replenishment program.

First Call will develop and obtain agreement of a specific timeline for transition from the current emergency ambulance services provider. The milestone / action items of the timeline will include, at a minimum, the following:

- Obtain EMS licenses and permits for ambulances as required by the State of Tennessee. Note: First Call has an EMS license for Maury County (see attachment in Section 18 – Additional Information).
- Assign a senior member of our management team to oversee all operations in Spring Hill.
- Meet with key employees of the current emergency ambulance services provider to discuss potential employment with First Call.
- Meet with City of Spring Hill, Williamson County and Maury County fire departments, police department and emergency communication centers.
- Establish, communicate and train on any special protocols of the contract.
- Test all communications with Williamson County E-911.
- Meet with all hospitals, nursing homes, and other healthcare facilities in Spring Hill for awareness of our commitment to the greater Spring Hill community.
- Meet with the appropriate people at Spring Hill Fire Department to discuss our stationing ambulances and crews at Fire Stations #1, #2 and #3.
- Conduct daily or weekly status meetings with key officials from Award of Agreement to “go live” date.

## Section 8 - Proof of Insurance

First Call maintains insurance coverage for commercial general liability, automobile liability, umbrella excess liability, worker's compensation, professional liability, cyber/data and network liability with limits that meet or exceed the RFP requirements of Section III – Minimum Insurance Requirements. Please see current Certificates of Insurance at the end of this proposal.

## Section 9 - Bank References and Other Customer References

Pinnacle Financial Partners has been the primary bank to First Call since 2004. Our banking contact is:

John Markham
Senior Vice President
150 3rd Avenue South, Suite 800
Nashville, TN 37201
Phone: 615-744-2920
Email: john.markham@pnfp.com

To follow is a condensed list of some of our customer and trade references:

HCA Healthcare
Tyler White, AVP – National Transfer Centers | email: tyler.white@hcahealthcare.com

Tri-Star Horizon Medical Center
Dustin Greene, CEO | email: dustin.greene@hcahealthcare.com

Vanderbilt University Medical Center
Jeffery Gray, Manager LifeFlight Emergency Communications & Discharge Transportation Services | email: jeffery.l.gray@vumc.org

Tennova Healthcare – Clarksville
Paul Martone, COO | email: Paul.Martone@mytennova.com

Brian Barlow
Traumasoft, CEO | email: brian@traumasoft.com

Medix Specialty Vehicles, Inc.
Wade Robinson, Sales Manager | email: wade@medixambulance.com

## Section 10 - Financials

First Call is a privately held company with a policy of not sharing detailed financial statements unless the receiving party is under a confidentiality and non-disclosure agreement.

Dixon Hughes Goodman has audited the historic financial statements of First Call. Our main contacts are:

Paul Hopkins, CPA
Partner
Dixon Hughes Goodman LLP
5201 Virginia Way, Suite 101
Brentwood, Tennessee 37027
Phone: 615-454-9728
Email: paul.hopkins@dhg.com

Stuart Voges, CPA
Senior Associate
Dixon Hughes Goodman LLP
5201 Virginia Way, Suite 101
Brentwood, Tennessee 37027
Phone: 901-259-3606
Email: stuart.voges@dhg.com

Please feel free to contact our references for Pinnacle Financial Partners and Dixon Hughes Goodman for assurance that First Call will be in business during the Agreement period.

The table below shows the last twelve months of Gross Revenue, Net Revenue after Contractual Allowances and Bad Debt, Operating Costs and Expenses, and Gross Profit.

| | **Oct 1, 2018 through Sep 30, 2019** |
|---|---:|
| Gross Revenue | $27,834,766 |
| Net Revenue | 12,257,562 |
| Operating costs and expenses | 8,933,091 |
| Gross profit | 3,324,471 |
| *% of Net Revenue* | *27.1%* |

## Section 11 - Complaints

To the best of our knowledge, there are no active claims against First Call Ambulance, LLC and First Call Ambulance, LLC is not a named party in any active lawsuit.

## Sections 12 - State of TN Classifications & Current Licenses/Permits

First Call maintains all accreditations, licenses and certifications required to be an ambulance operator in the state of Tennessee. These accreditations and licenses include but are not limited to FCC licenses for our radio communications, CLIA, DEA licenses, EMD certifications for dispatchers, billing coding certifications, and state and county operating licenses. Copies of licenses, certifications and related documentation are available for review upon request. To following is a current list of the active Tennessee EMS licenses for First Call.

| License Holder | Address | Classification | License No. |
|---|---|---|---|
| First Call Ambulance – Rutherford County | 8026 Safari Drive | C – Basic Life Support | EMS0000010228 |
| First Call Ambulance – Maury County | 304 E James Campbell Blvd | C – Basic Life Support | EMS0000010229 |
| First Call Ambulance – Sumner County | 1196 Long Hollow Pike | C – Basic Life Support | EMS0000010230 |
| First Call Ambulance – Davidson County | 627 Old Hickory Blvd | C – Basic Life Support | EMS0000010231 |
| First Call Ambulance – Montgomery County | 186 E Old Trenton | C – Basic Life Support | EMS0000010232 |
| First Call Ambulance – Dickson County | 309 Lewis Hollow Rd | C – Basic Life Support | EMS0000010233 |
| First Call Ambulance – Cocke County | 503 Jones Circle | A – Advanced Life Support | EMS0000010234 |

Please see copies of our seven (7) active Tennessee EMS licenses at the end of this proposal.

## Section 13 - Binding Authority

Person authorized to bind First Call Ambulance, LLC, answer questions and provide clarification:

**Scott Yates, President & Owner**

**First Call Ambulance, LLC**

**627 Old Hickory Blvd.**

**Old Hickory, TN 37138**

**615-921-2933**

**syates@firstcall-ambulance.com**

## Section 14 - Letter of Intent to Secure Performance Bond

Date: November 6, 2019

April Goad, City Recorder
City of Spring Hill
199 Town Center Parkway
P.O. Box 789
Spring Hill, TN 37174

Re: Letter of Intent to Secure a $500,000 Performance Bond

To Whom It May Concern:

Should First Call Ambulance, LLC be awarded the City of Spring Hill contract for Emergency Ambulance Services, we will provide either a performance bond or Irrevocable Letter of Credit in the amount of five hundred thousand dollars ($500,000) to ensure the full and faithful performance of contract requirements. We understand the requirements detailed in Section III – Performance Bond of the RFP.

Sincerely,

Scott Yates, President & Owner
First Call Ambulance, LLC

## Section 15 - Indemnification

First Call agrees to defend, indemnify and hold harmless the City of Spring Hill, their officers, agents, employees, contractors and representatives, from any and all claims, demands, liabilities, penalties, damages, expenses and judgments of any nature and description based on the negligence of First Call and arising out of the performance by First Call, its employees, subcontractors or agent in providing ambulance services under the Agreement for the City of Spring Hill.

First Call expressly understands and agrees that any insurance protection required by the Agreement or otherwise provided by First Call shall in no way limit the responsibility to indemnify, defend, and hold harmless the City of Spring Hill or its elected officials, officers, employees, agents, assigns, and instrumentalities as herein provided.

First Call understands the City of Spring Hill has no obligation to provide legal counsel or defense to First Call in the event that a suit, claim or action of any character is brought by any person not a party to the contract against First Call as a result of or relating to performance or obligations of the services under the Agreement.

First Call will immediately notify the City of Spring Hill of any claim or suit made or filed against First Call or its subcontractors regarding any matter resulting from or relating to First Call's obligations under the contract, and will cooperate, assist and consult with the City of Spring Hill in the defense or investigation thereof.

## Section 16 - Cost and Fees

First Call has evaluated the City of Spring Hill transport volume and estimated realistic, potential revenues for those transports. Further, we have estimated realistic, operating expenses for three (3) ALS ambulances on duty 24 hours a day, seven (7) days a week, and 365 days a year. Based on our assumptions, we estimate the need for a subsidy of $550,000 from the City of Spring Hill to make up an annual shortfall of revenues. The proposed subsidy is needed to cover the expense to provide continuous coverage within the incorporated areas of the City of Spring Hill as depicted on Exhibit A of the RFP. We propose the subsidy be paid monthly through the duration of the contract.

First Call understands the City of Spring Hill has an approved budget for its fiscal year 2019-2020 and that a subsidy for emergency ambulance services may not be included in that approved budget. If it would be helpful, First Call is open to discussing the City of Spring Hill paying the subsidy for the applicable months in the 2019-2020 fiscal year in the first month of the 2020-2021 fiscal year.

## Section 17 - References

Please see the attached letters of reference at the end of this proposal. You are welcome to contact the following customers to inquire further about First Call's service to their communities.

### Contracted Primary E911 EMS Provider

**Cocke County, TN**
Crystal Ottinger - Mayor
423-623-8791

### Primary Non-Emergency EMS Provider

**Sumner County EMS**
Greg Miller - Chief
Sumner County, Tennessee
615-451-0429

**Montgomery County EMS**
Bill Webb - Chief
Montgomery County, Tennessee
931-920-1800

**Dickson County EMS**
Donnie Bear - Director
Dickson County, Tennessee
615-446-1732

***Additional references available upon request.***

## Section 18 - Additional Information

1. Attached is a copy of the approval letter from the Department of Veterans Affairs stating First Call has been verified as a Veteran-Owned Small Business (VOSB).
2. Attached are current Certificates of Insurance.
3. Attached are copies of our seven (7) active EMS licenses.
4. Attached are reference letters from four (4) Tennessee counties in which First Call provides ambulance services.

**DEPARTMENT OF VETERANS AFFAIRS**
**Center for Verification and Evaluation**
**Washington DC 20420**

10/10/2019
In Reply Refer To: **00VE**

Mr. Scott D. Yates
First Call Ambulance, LLC
DUNS: 081264261
627 Old Hickory Boulevard
Old Hickory, TN 37138-3162

Dear Mr. Yates:

On behalf of the U.S. Department of Veterans Affairs (VA), Center for Verification and Evaluation (CVE), I am writing to inform you that First Call Ambulance, LLC has been verified as a Veteran-Owned Small Business (VOSB) and added to the Vendor Information Pages (VIP) at https://www.vip.vetbiz.gov/. First Call Ambulance, LLC will be eligible to participate in Veterans First Contracting Program opportunities with VA.

**This verification is valid for three (3) years from the date of this letter.** Please retain a copy of this letter to confirm First Call Ambulance, LLC's continued program eligibility in accordance with 38 Code of Federal Regulations (CFR) § 74.12. You may reapply 120 days prior to your expiration date by logging in to your VIP profile.

To promote First Call Ambulance, LLC's verified status, you may use the following link to download the logo for use on marketing materials and business cards: https://www.va.gov/OSDBU/docs/cve_completed_v.jpg. In addition, please access the following link for information on the next steps and opportunities for verified businesses: http://www.va.gov/osdbu/verification/whatsNext.asp.

To ensure that First Call Ambulance, LLC is correctly listed in the Vendor Information Pages, check First Call Ambulance, LLC's profile for the verified logo. Please notify us if the logo is not present within 72 hours of receipt of this letter.

While CVE has confirmed that First Call Ambulance, LLC is presently, as of the issuance of this notice, in compliance with the regulation, First Call Ambulance, LLC must inform CVE of any changes or other circumstances that would adversely affect its eligibility. Eligibility changes not reported to CVE within 30 days could result in a referral to the Office of Inspector General (OIG), a referral to the Debarment and Suspension Committee, and the initiation of cancellation proceedings—all of which could result in First Call Ambulance, LLC being removed from the VIP Verification Program.

Please be advised all verified businesses may be required to participate in one or more post-verification audits at CVE's discretion. Additionally, this letter and other information pertaining to First Call Ambulance, LLC's verification application may be subject to Freedom of Information Act (FOIA) requests. However, FOIA disclosures include exceptions regarding the personal privacy of individuals, and VA policy similarly provides limitations on the release of individual records.

If First Call Ambulance, LLC receives a negative size determination from the U.S. Small Business Administration (SBA), CVE must act in accordance with 38 CFR § 74.2(e). Also note, if at any time First Call Ambulance, LLC discovers that it fails to meet the size standards for any NAICS Code(s) listed on its VIP profile, CVE requires such NAICS Code(s) be removed within five (5) business days. If the NAICS Code(s) are not removed within the allotted five (5) business days, CVE may request SBA conduct a formal size determination. In addition, CVE may initiate a referral to OIG, a referral to the Debarment and Suspension Committee, and pursue cancellation proceedings. All of the aforementioned referrals and procedures could result in First Call Ambulance, LLC being removed from the VIP Verification Program.

Thank you for your service to our country and for continuing to serve America through small business ownership.

Sincerely,

Thomas J McGrath

Thomas McGrath
Director
Center for Verification and Evaluation

ACORD®

# CERTIFICATE OF LIABILITY INSURANCE

| DATE (MM/DD/YYYY) |
|---|
| 08/30/2019 |

**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 have ADDITIONAL INSURED provisions or 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 | CONTACT NAME: Leslie Stroop | |
|---|---|---|
| Sterling Seacrest Partners, Inc | PHONE (A/C, No, Ext): (912) 544-1900 | FAX (A/C, No): (912) 544-1901 |
| P O Box 8004 | E-MAIL ADDRESS: lstroop@sspins.com | |
| | **INSURER(S) AFFORDING COVERAGE** | **NAIC #** |
| Savannah GA 31402-8004 | INSURER A : Hallmark Specialty Insurance Company | 26808 |
| **INSURED** | INSURER B : RLI Insurance Co | 13056 |
| First Call Ambulance, LLC | INSURER C : Eastern Alliance Insurance Group | 10724 |
| FC Holding Company, LLC | INSURER D : | |
| 627 Old Hickory Blvd. | INSURER E : | |
| Old Hickory TN 37138 | INSURER F : | |

**COVERAGES** **CERTIFICATE NUMBER:** 19-20 w/ 18-19 WC **REVISION NUMBER:**

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 | X COMMERCIAL GENERAL LIABILITY | | | 77MFP19016E | 06/01/2019 | 06/01/2020 | EACH OCCURRENCE | $ 1,000,000 |
| | CLAIMS-MADE X OCCUR | | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) | $ 50,000 |
| | | | | | | | MED EXP (Any one person) | $ 5,000 |
| | | | | | | | PERSONAL & ADV INJURY | $ 1,000,000 |
| | GEN'L AGGREGATE LIMIT APPLIES PER: | | | | | | GENERAL AGGREGATE | $ 3,000,000 |
| | X POLICY PRO-JECT LOC | | | | | | PRODUCTS - COMP/OP AGG | $ 1,000,000 |
| | OTHER: | | | | | | Employee Benefits | $ 1,000,000 |
| B | AUTOMOBILE LIABILITY | | | CAP9508431 | 06/01/2019 | 06/01/2020 | COMBINED SINGLE LIMIT (Ea accident) | $ 1,000,000 |
| | ANY AUTO | | | | | | BODILY INJURY (Per person) | $ |
| | OWNED AUTOS ONLY X SCHEDULED AUTOS | | | | | | BODILY INJURY (Per accident) | $ |
| | HIRED AUTOS ONLY NON-OWNED AUTOS ONLY | | | | | | PROPERTY DAMAGE (Per accident) | $ |
| | | | | | | | Medical payments | $ 5,000 |
| A | UMBRELLA LIAB X OCCUR | | | 77MFX19016F | 06/01/2019 | 06/01/2020 | EACH OCCURRENCE | $ 5,000,000 |
| | X EXCESS LIAB CLAIMS-MADE | | | | | | AGGREGATE | $ 5,000,000 |
| | DED RETENTION $ | | | | | | | $ |
| C | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N | | | 03-0000122672-00 | 11/15/2018 | 11/15/2019 | X PER STATUTE OTH-ER | |
| | ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)** N | N / A | | | | | E.L. EACH ACCIDENT | $ 1,000,000 |
| | If yes, describe under DESCRIPTION OF OPERATIONS below | | | | | | E.L. DISEASE - EA EMPLOYEE | $ 1,000,000 |
| | | | | | | | E.L. DISEASE - POLICY LIMIT | $ 1,000,000 |
| A | Professional Liability | | | 77MFP19016E | 06/01/2019 | 06/01/2020 | Each Event: | $1,000,000 |
| | | | | | | | Annual Aggregate: | $3,000,000 |

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Proof of coverage

FIRST CALL

Emergency Ambulance Services Proposal
City of Spring Hill, Tennessee | 2019 RFP
Attachment

| CERTIFICATE HOLDER | CANCELLATION |
|---|---|
| For Information Only | **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 |

ACORD®

# CERTIFICATE OF LIABILITY INSURANCE

| DATE (MM/DD/YYYY) |
|---|
| 08/19/2019 |

**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 have ADDITIONAL INSURED provisions or 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**<br>Sterling Seacrest Partners, Inc<br>P O Box 8004<br>Savannah GA 31402-8004 | **CONTACT NAME:** Leslie Stroop<br>**PHONE (A/C, No, Ext):** (912) 544-1900 **FAX (A/C, No):** (912) 544-1901<br>**E-MAIL ADDRESS:** |

| INSURER(S) AFFORDING COVERAGE | | NAIC # |
|---|---|---|
| INSURER A : | Beazley Insurance Company, Inc. | 37540 |
| INSURER B : | | |
| INSURER C : | | |
| INSURER D : | | |
| INSURER E : | | |
| INSURER F : | | |

**INSURED**

First Call Ambulance, LLC
FC Holding Company, LLC
627 Old Hickory Blvd.
Old Hickory TN 37138

**COVERAGES** **CERTIFICATE NUMBER:** CL1961036112 **REVISION NUMBER:**

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 | |
|---|---|---|---|---|---|---|---|---|
| | **COMMERCIAL GENERAL LIABILITY**<br>CLAIMS-MADE / OCCUR<br>GEN'L AGGREGATE LIMIT APPLIES PER:<br>POLICY / PRO-JECT / LOC<br>OTHER: | | | | | | EACH OCCURRENCE | $ |
| | | | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) | $ |
| | | | | | | | MED EXP (Any one person) | $ |
| | | | | | | | PERSONAL & ADV INJURY | $ |
| | | | | | | | GENERAL AGGREGATE | $ |
| | | | | | | | PRODUCTS - COMP/OP AGG | $ |
| | | | | | | | | $ |
| | **AUTOMOBILE LIABILITY**<br>ANY AUTO<br>OWNED AUTOS ONLY / SCHEDULED AUTOS<br>HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY | | | | | | COMBINED SINGLE LIMIT (Ea accident) | $ |
| | | | | | | | BODILY INJURY (Per person) | $ |
| | | | | | | | BODILY INJURY (Per accident) | $ |
| | | | | | | | PROPERTY DAMAGE (Per accident) | $ |
| | | | | | | | | $ |
| | **UMBRELLA LIAB** / OCCUR<br>**EXCESS LIAB** / CLAIMS-MADE<br>DED / RETENTION $ | | | | | | EACH OCCURRENCE | $ |
| | | | | | | | AGGREGATE | $ |
| | | | | | | | | $ |
| | **WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N<br>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? **(Mandatory in NH)**<br>If yes, describe under DESCRIPTION OF OPERATIONS below | N / A | | | | | PER STATUTE / OTH-ER | |
| | | | | | | | E.L. EACH ACCIDENT | $ |
| | | | | | | | E.L. DISEASE - EA EMPLOYEE | $ |
| | | | | | | | E.L. DISEASE - POLICY LIMIT | $ |
| A | Cyber/Data and Network Liability | | | W27445190101 | 06/01/2019 | 06/01/2020 | Policy Aggregate:<br>Policy Retention: | $5,000,000<br>$5,000 |

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**

Policy includes coverage for privacy/breach response and notification costs in addition to the limits of liability.

FIRST CALL
Emergency Ambulance Services Proposal
City of Spring Hill, Tennessee | 2019 RFP
Attachment

| CERTIFICATE HOLDER | CANCELLATION |
|---|---|
| For Information Only | **SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.**<br>AUTHORIZED REPRESENTATIVE |

# Department of Health

## Division of Emergency Medical Services

This is to certify that

FIRST CALL AMBULANCE-RUTHERFORD COUNTY

located at 8026 SAFARI DRIVE

in RUTHERFORD County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010228

This license shall expire on 06/30/2020

and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.

Issued this 28TH day of MAY 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By ______________________
Director, Emergency Medical Services

By ______________________
Commissioner, Department of Health

# Department of Health
## Division of Emergency Medical Services

This is to certify that

FIRST CALL AMBULANCE-MAURY COUNTY

located at 304 E JAMES CAMPBELL BLVD SUITE B
in MAURY County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010229

This license shall expire on 06/30/2020
and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.
Issued this 28TH day of MAY 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By Brandon Ward
Director, Emergency Medical Services

By Lisa Piercey
Commissioner, Department of Health

THE GREAT SEAL OF THE STATE OF TENNESSEE
XVI
AGRICULTURE
COMMERCE
1796

# Department of Health

## Division of Emergency Medical Services

This is to certify that

FIRST CALL AMBULANCE-SUMNER COUNTY

located at 1196 LONG HOLLOW PIKE

in SUMNER County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010230

This license shall expire on 06/30/2020

and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.

Issued this 28TH day of MAY 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By Brandon Ward
Director, Emergency Medical Services

By Lisa Piercey
Commissioner, Department of Health

# Department of Health
## Division of Emergency Medical Services

This is to certify that

FIRST CALL AMBULANCE-DAVIDSON COUNTY

located at 627 OLD HICKORY BLVD

in DAVIDSON County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010231

This license shall expire on 06/30/2020

and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.

Issued this 28TH day of MAY 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By Brandon Ward
Director, Emergency Medical Services

By Lisa Piercey
Commissioner, Department of Health

DCF018

# Department of Health

## Division of Emergency Medical Services

This is to certify that

FIRST CALL AMBULANCE-MONTGOMERY COUNTY

located at 186 E OLD TRENTON ROAD # A
in MONTGOMERY County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010232

This license shall expire on 06/30/2020
and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.

Issued this 28TH day of MAY 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By Brandon Ward
Director, Emergency Medical Services

By Lisa Piercey
Commissioner, Department of Health

DCF018

# Department of Health
# Division of Emergency Medical Services

## This is to certify that

FIRST CALL AMBULANCE-DICKSON COUNTY

located at 309 LEWIS HOLLOW ROAD

in DICKSON County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010233

This license shall expire on 06/30/2020

and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.

Issued this 28TH day of MAY 2019.

CATEGORY/BASED IN: C - BASIC LIFE SUPPORT

By ______________________
Director, Emergency Medical Services

By ______________________
Commissioner, Department of Health

# Department of Health

## Division of Emergency Medical Services

This is to certify that

FIRST CALL AMBULANCE-COCKE COUNTY

located at 503 JONES CIRCLE
in COCKE County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000010234

This license shall expire on 06/30/2020
and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.
Issued this 23RD day of MAY 2019.

CATEGORY/BASED IN: A - ADVANCED LIFE SUPPORT

By Brandon Ward
Director, Emergency Medical Services

By Lisa Piercey
Commissioner, Department of Health

DCF018

# Cocke County Government

**Crystal Ottinger, Mayor**



November 4, 2019

Mayor Rick Graham
199 Town Center Parkway
Spring Hill, TN 37174

Re: Letter of Reference for First Call Ambulance Service 911 Operation

Mayor Graham,

I would like to take this opportunity to give you a personal letter of reference for First Call Ambulance Service in regards to their 911 Ambulance operation in Cocke County, TN. First Call has faithfully served our citizens in this capacity since 10/16/2012 and we are currently in contract with them. We have been pleased with their staff, services and awareness of our County's needs. If I may be of further assistance, please do not hesitate to contact me via the information below. Thank you.

Respectfully,

Crystal Ottinger

Crystal Ottinger, Mayor

CO/add

Courthouse Annex • Suite 146 • 360 East Main Street • Newport, Tennessee 37821
(423) 623-8791 • Fax (423) 623-8792 • cottinger@cockecounty.net

To: Rick Graham, Mayor Springhill, TN

From: Greg Miller, EMS Chief- Sumner County, TN

Date: October 30, 2019

Re: Letter of Reference for First Call Ambulance

Mayor Graham,

I would like to take this opportunity to give you a personal letter of reference for First Call Ambulance. While we operate our own 911 emergency medical service in Sumner County, there are times in which we rely on assistance from other agencies to manage the volume. First Call Ambulance Service has served as the only other licensed provider in our county for many years now and we have an excellent working relationship with them. They were fully willing to meet the intent of the resolution and also demonstrate that their commitment to quality and professionalism is on par with what we provide ourselves. We have been extremely pleased with their staff, service and responsiveness to our County's needs and I would highly recommend them to serve you as well. If you need any further assistance or have questions, please feel free to contact me anytime.

Sincerely,

Greg Miller

Greg Miller, Ed.S., EFO, CFO

EMS Chief

SUMNER EMS COUNTY

MONTGOMERY COUNTY
EMS
EMERGENCY MEDICAL SERVICE

**Bill Webb, BS, EMT-P, CACO, CAPO**
Director/Chief

Date: October 30, 2019

From: Bill Webb, EMS Chief - Montgomery County, TN

To: Mayor Rick Graham

RE: Letter of Reference for First Call Ambulance

Mayor Graham,
I would like to take this opportunity to give you a personal letter of reference for First Call Ambulance. While we operate our own 911 system in Montgomery County, First Call has served as the only other licensed provider in our county since 2010 and we have an excellent working relationship with the. We have been extremely pleased with their staff, management team, service and responsiveness to our County's needs and I would highly recommend them to serve you as well. If you need any further assistance or have questions, please feel free to contact me.

Sincerely,

*Bill Webb*

601 Dunlop Lane • Clarksville, TN 37043 • Office (931) 920-1800 • Fax (931) 645-5702
www.mcgtn.org/ems

Date: 10-30-2019

From: Donny Bear, EMS Director- Dickson County, TN

To: Mayor Rick Graham

Re: Letter of Reference for First Call Ambulance

**Mayor Graham,**

I would like to take this opportunity to give you a personal letter of reference for First Call Ambulance. While we operate our own 911 system in Dickson County, First Call has served as the only other licensed provider in our county for many years now and we have an excellent working relationship with them. We have been extremely pleased with their staff, service and responsiveness to our County's needs and I would highly recommend them to serve you as well. If you need any further assistance or have questions, please feel free to contact me anytime.

Sincerely,

Donny Bear

**Rogers C. Anderson**
Williamson County Mayor

**Office of Public Safety**
**Bill Jorgensen**
Director

# WILLIAMSON COUNTY GOVERNMENT

November 7, 2019

The Honorable Mayor Rick Graham
City of Spring Hill
199 Town Center Parkway
P.O. Box 789
Spring Hill, TN 37174

Re: RFP – Emergency Ambulance Services

Dear Mayor Graham,

Williamson County Emergency Medical Service (EMS) appreciates the opportunity to present the enclosed proposal to the City of Spring Hill. We propose a collaborative partnership between local governments as an alternative solution to the contract for service defined in the city's Request for Proposal (RFP). This response is based on our proven ability to deliver high-quality and reliable emergency medical service and related aid to the Williamson County Community since 1972.

Benefits of Williamson County Emergency Medical Service:

- Quality – award winning Advanced Life Support EMS system
- Reliability – comprehensive county EMS systems approach to providing services
- Financial – no cost to the City of Spring Hill

This partnership proposal will enhance the ability of your first responders to more effectively perform their jobs and ultimately improve emergency medical services for your citizens.

Included in this proposal is more detailed information on the current system structure, operations and future vision.

If you have any questions, please feel free to address them to my attention. Our public safety team looks forward to subsequent discussions and continuing to support the City of Spring Hill.

Sincerely,

William L. Jorgensen

Bill Jorgensen, Director
Williamson County Office of Public Safety

**Proposal for provision of Emergency Medical Service for the city of Spring Hill, Tennessee**

In lieu of a contract as defined in the city's RFP, Williamson County proposes an Interlocal agreement expanding the existing service area of the Williamson County Emergency Medical Service (EMS) to include the City of Spring Hill as allowed by Tennessee State Law. This agreement would designate Williamson County EMS as the Primary Provider of Ambulance Service, and Spring Hill Fire Department as a First Responder agency, in accordance with Tennessee EMS Rules.

This proposal includes the addition of two (2) 24-hour ambulances and one (1) 24-hour Supervisor.

**Financial Considerations**

Williamson County proposes to provide the service, personnel, vehicles and equipment without any subsidy from the city.

We propose to house our personnel and apparatus at Spring Hill Fire Department stations 2 and 3 without being assessed rent or utility costs. Each apparatus bay would need to be equipped with two 20-amp 120v power supplies located at the right rear of the EMS units.

**Exceptional EMS through Partnerships**

Emergency Medical Service (EMS) was established through resolution in 1972 by the Williamson County Government. From the beginning, partnerships have been a key element in the success and growth of the EMS system. The system currently has thirteen staffed ambulances during peak times, and two supervisors, co-located with other emergency service partners throughout the county.

EMS has evolved from providing "Ambulance Service" to a progressive Emergency Medical Service system. Through continued partnerships with municipal and volunteer fire departments, over 400 Emergency Medical First Responders provide care at Basic and/or Advanced Life Support levels.

In July of 2014, a reaffirming resolution by the Williamson County Commission acknowledged the scope of services provided by Williamson County EMS had significantly evolved. The expanded program included requests for medical assistance, assistance in monitoring public events and mass gatherings, public education initiatives, and continued preparedness, response and recovery for natural and man-made disasters.

In a collaborative effort, continual capital and operational investments by Williamson County Government and Williamson Medical Center help to ensure we are providing an exceptional, high-quality and reliable EMS system in the fastest growing County in Tennessee.

**Current Williamson County EMS Program:**

- The primary provider of EMS for Williamson County, including all municipalities, except for the City of Spring Hill.
- A Government Service, serving our communities with transparency and accountability.
- The first and only 9-1-1 ground EMS provider authorized to carry and administer pre-hospital blood products in Tennessee (pilot project) – and fourth in the United States.
- A three-time recipient of the annual "Star of Life" award for Tennessee EMS Region Five.
- A multi-year recipient of the American Heart Association: Mission Lifeline recognition.

- Ten (10) Ambulances staffed 24-Hours:
    - The closest ambulance to the City of Spring Hill is located on Thompson's Station Road, near Columbia Pike.
    - An eleventh 24-hour ambulance will be operational in the spring of 2020 near Peytonsville Road & I-65.
- Three (3) Ambulances staffed 12-Hours:
    - The closest ambulance to the City of Spring Hill is on Goose Creek Bypass, near Columbia Pike.
    - Shift times are adjusted to provide additional ambulances during peak times.
    - 12-hour ambulances are first to back-fill other units as they are assigned calls.
- Five (5) available ambulances to maintain a reserve pool, allowing immediate replacement of units and/or added capacity due to planned and unplanned events.
- Two (2) Supervisors staffed 24-hours.
- One hundred-forty (140) EMS personnel.
- All ambulances are Advanced Life Support (ALS), staffed with at least one Paramedic, many of whom are Critical Care Paramedics.
- Patients are transported to the facility of their choice or closes appropriate facility.

**Ambulances, Equipment and Medical Services:**

- In addition to meeting all applicable rules, regulations, and/or standards, for construction and equipment, all ambulances:
    - Have video laryngoscopes to ensure proper placement of endotracheal tubes (airway).
    - Have IV pumps for enhanced medication dosing safety.
    - Have temperature-controlled cabinets to protect medications from environmental extremes, ensuring their efficacy.
    - Have specialized coolers to maintain chilled IV fluids to provide Hypothermic Therapy for patients resuscitated from cardiac arrest.
    - Are equipped to safely and securely transport balloon pumps for transferring patients from Cardiac Cath Labs to tertiary care facilities.
    - Are equipped with communications equipment, which includes:
        - Radios that operate on the same radio system as Spring Hill Fire and Police.
        - Cellular router using both FirstNet (AT&T) and Verizon service to ensure connectivity, as well as providing bandwidth for telemedicine.
        - Automatic Vehicle Location that provides real-time location and availability to Williamson County Emergency Communications.
        - Mobile Data Computer connected to Williamson County's Emergency Communications Center for real-time information exchange.

**High-Quality and Personnel Expertise:**

- Extensive pre-hire screening to ensure our personnel have exceptional clinical skills and interpersonal dynamics.
- Structured onboarding process to prepare new personnel for success in our EMS system.
- Annual credentialing for every level of licensure to ensure competence.

- The Medical Director is a practicing Williamson Medical Center emergency room physician, board certified in emergency medicine, and has direct involvement in practices, protocols, training, and quality assurance related to clinical care. The Medical Director and EMS Assistant Director work together on a continual basis to ensure quality and consistency of care.
- 100% review of all cardiac arrests, advanced airway (i.e., Rapid Sequence Intubation and Medication-Assisted Intubation), blood product administration and other critical care events.

**Dispatch Services:**

- Provided directly from the Williamson County Emergency Communication Center.
- Closest available ambulance automatically selected at the time of 9-1-1 call.
- Provides nationally recognized, and Medical Director approved, emergency medical dispatch protocols to 9-1-1 callers.

**Emergency Preparedness:**

- Provide coordination of Ambulance Strike Teams in Southern TN EMS Region Five.
- Deployable Assets that include:
    - Multi-Casualty Incident Trailer
    - Special Event Trailer
    - Ambulance Strike Team Support Trailer
    - Ambulance Strike Team Supervisor/Command/Tow Vehicle

**Other Community Services:**

- Responsible for the Emergency Medical Service portion of the Williamson County Emergency Plan.
- Actively participate in the Local Emergency Planning Committee (LEPC) for the County.
- Sports Medics are assigned to each Williamson County High School, public and private, and attend all football games, including Summit High School.
- Tactical Paramedics assigned to County SWAT and Water Rescue Teams.
- Offers and provides Tactical Emergency Casualty Care response and training.

**Service Delivery Timetable**

We propose to provide Emergency Medical Service beginning July 1, 2020. We are in the process of ordering three new ambulances and additional EMS Supervisor vehicles which are projected to be delivered this fiscal year. Acquisition of these vehicles will allow service delivery to Spring Hill.

Additionally, EMS would:

- Begin the process of hiring additional full-time personnel necessary to staff these resources.
- Provide medical protocol training for Spring Hill Fire Department.
- Credential Spring Hill Fire Department employees as BLS or ALS responders.
- Work closely with the City of Spring Hill to ensure a seamless transition.

*Attachment: Tennessee Ambulance Service License*

**Persons with binding authority**

Rogers Anderson, County Mayor
Williamson County Government
1320 West Main Street
Franklin, TN 37064
615-790-5700

Donald Webb, CEO
Williamson Medical Center
4321 Carothers Parkway
Franklin, TN 37067
615-435-5060

**Contact for questions and clarification**

Bill Jorgensen, Director of Public Safety
Williamson County Government
304 Beasley Drive
Franklin, TN 37064
615-790-5756
bill.jorgensen@williamsoncounty-tn.gov

# Department of Health

## Division of Emergency Medical Services

This is to certify that

WILLIAMSON MEDICAL CENTER EMS

located at 4321 CAROTHERS PARKWAY

in WILLIAMSON County is hereby authorized to conduct and maintain an Ambulance Service under License No. EMS0000009401

This license shall expire on 06/30/2020 and is subject to the provisions of Title 68, Chapter 140 of the Tennessee Code Annotated, and rules promulgated thereto. This license is not transferable.

Issued this 27TH day of JUNE 2019.

CATEGORY/BASED IN: A - ADVANCED LIFE SUPPORT

By ______________________
Director, Emergency Medical Services

By ______________________
Commissioner, Department of Health

CF018