



City Council Memorandum

To: Mayor Fasbender & City Council Members

From: Michael T. Schutt, Fire & EMS Director

Date: June 11, 2019

Item: Approve Medical Director Services Agreement

Council Action Requested: Council is asked to approve an updated Medical Director Services Agreement with Dr. Larry Erickson.

Background Information: Dr. Erickson has been serving as our Medical Director for the City for over forty years. Our current Agreement is through Allina Health and Dr. Erickson. Dr. Erickson is in the process of retiring from Allina Health, but would like to stay on as our Medical Director for the City, primarily for our ambulance service. Dr. Erickson has been a valued member of our organization, he is active in the metro area ambulance services director's group and continually stays abreast of current technologies, trends and skills.

Financial Impact: Under the Allina/Dr. Erickson agreement, the cities obligation is \$1000.00 annually, with Allina Health paying the difference. The proposed contract is for an annual fee of \$6000.00 payable to Dr. Erickson and the city providing professional liability insurance through the cities provider. This policy is \$2679.04.

I did a comparison of comparable public ambulance services in the area and found the annual cost of medical direction is between \$10,000 and \$20,000 annually.

Advisory Commission Discussion: N/A

Council Committee Discussion: N/A

Attachments:

- Copy of Agreement
- Copy of insurance quote

**PRE-HOSPITAL MEDICAL DIRECTION SERVICES AGREEMENT
BETWEEN
DR. LAWRENCE ERICKSON
AND
THE CITY OF HASTINGS**

This medical direction pre-hospital services agreement (“Agreement”), is, by and between Dr. Lawrence Erickson, a Minnesota licensed physician, and the City of Hastings, a Minnesota municipal corporation.

RECITALS

WHEREAS, City operates an ambulance service which provides emergency medical services in Hastings’ primary service area.

WHEREAS, Dr. Erickson is a physician and provides emergency medical training, medical direction, and other services to municipal and private rescue-EMS service providers, and

WHEREAS, City maintains and operates an emergency medical service program and desires the assistance and training of Dr. Lawrence Erickson in the provision of such services; and

WHEREAS, Dr. Lawrence Erickson desires to provide assistance and training to the City.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties set forth above, intending to be legally bound, agree as follow:

**ARTICLE 1
Obligations of Parties**

- 1.1 **Medical Director.** Dr. Lawrence Erickson shall serve as the pre-hospital Medical Director (“**Medical Director**”) for the City pursuant to the terms of this Agreement. The duties and obligations of the Medical Director are specified in Schedule 1.1, which is attached hereto and incorporated herein by this reference. The Medical Director shall at all times (a) be currently licensed as a physician in the State of Minnesota, (b) be a board certified emergency medicine physician, (c) have experience in, and knowledge of, emergency care of acutely ill or traumatized patients, and (d) be familiar with the design and operation of local, regional and state emergency medical service systems.
- 1.2 **Duties of City.** To assist Dr. Lawrence Erickson in the discharge of its duties hereunder City shall be responsible for performing the duties set forth in Schedule 1.3, which is attached hereto and incorporated herein by this reference.

**ARTICLE 2
Term and Termination**

- 2.1 **Term.** This Agreement shall commence on the Effective Date and shall remain in effect through December 31, 2021 (“**Term**”).

- 2.2 Termination. Subject to the continuing obligations of the parties as set forth in Articles 1, 4, 5 and 7:
- 2.2.1 Termination without Cause. Either party may terminate this Agreement at any time without cause by providing the other party written notice of termination at least sixty (60) days prior to the date of termination. Any termination of this Agreement pursuant to this Section shall be effective only at the end of the then current contract year. Further, no termination pursuant to this Section may be effective prior to the end of the first contract year of this Agreement.
- 2.2.2 Termination with Cause. Either party may terminate this Agreement with cause upon the default of the other party under any material term of this Agreement and the defaulting party's failure to cure such default within thirty (30) days after receipt of written notice specifying the precise nature of the default. Upon the defaulting party's failure to cure the default within the foregoing thirty-day cure period, this Agreement shall be deemed terminated without further action.
- 2.2.3 Change in Law. If any provision of this Agreement is in conflict with current state or federal laws, regulations or rules, or a subsequent change in state or federal law, regulations or rules, or judicial interpretation thereof, the parties mutually agree to amend this Agreement in writing to comply with the law, regulation, rule or interpretation, or, if the parties are unable to reach agreement through good faith negotiation within thirty (30) days of becoming aware of the conflict, either party may terminate this Agreement effective immediately upon notice in writing to the other party.
- 2.2.4 Mutual Agreement. The parties may terminate this Agreement by mutual agreement at any time.

ARTICLE 3 Compensation

- 3.1 Compensation. In consideration of the services furnished by Dr. Lawrence Erickson under this Agreement, City shall pay Dr. Lawrence Erickson compensation of \$6,000 annually.

ARTICLE 4 Indemnification

- 4.1 City Indemnification. Subject to the limitations, exceptions, and maximum liability set forth in Minnesota Statutes Chapter 466, City shall indemnify, defend, and hold harmless Dr. Lawrence Erickson, his affiliates, officers, employees, agents, successors, and assigns from and against any and all liabilities, claims, damages, causes of actions, lawsuits, judgments, demands, and expenses, including court costs and reasonable attorneys' fees, resulting from any act or omission of City, its agents, employees, contractors, and trainees arising out of this Agreement.
- 4.2 Dr. Lawrence Erickson Indemnification. Dr. Lawrence Erickson shall indemnify, defend, and hold harmless City, its Mayor, city council and individual city council members, employees, and agents from and against any and all liabilities, claims, damages, causes of actions, lawsuits,

judgments, demands, and expenses, including court costs and reasonable attorneys' fees, resulting from any act or omission of Dr. Lawrence Erickson, his agents, employees, and contractors arising out of this Agreement.

ARTICLE 5 Confidentiality and Audits

- 5.1 Data Practices Act. Dr. Lawrence Erickson shall comply with the requirements of the Minnesota Government Data Practices Act (the "**Act**") and any applicable laws, rules and regulations governing the privacy of patient or medical data, including but not limited to any Privacy Regulation (as defined below) in providing services under this Agreement. No private or confidential data collected, maintained or used in the course of performance of this Agreement shall be disseminated, except as authorized or required by the Act either during the Term of this Agreement or thereafter. Any data supplied to City by Dr. Lawrence Erickson during the Term of this Agreement shall be administered in accordance with the provisions of the Act regardless of any internal classifications assigned to the data by City.
- 5.2 Other Confidential Information. During the course of the performance of the services under this Agreement, the parties may have access to or become acquainted with confidential information relating to each others' business, including, without limitation, patient records, medical information, and/or other information that relates to or identifies patients. The parties acknowledge and understand the importance of keeping such information, including the terms and conditions of this Agreement, confidential and agree to never use, except in performing its duties under this Agreement, or disclose such information to any third party except as may be required by a court order. If disclosure is ordered by a court or administrative order, the party subject to the order shall immediately notify the other party to allow such party the opportunity to make a reasonable effort to obtain a protective order. Upon the expiration or termination of this Agreement, the parties shall immediately return to the other party all records or other tangible documents that contain, embody, or disclose, in whole or in part, any confidential information of the other party.
- 5.3 Protected Health Information. Dr. Lawrence Erickson may use and/or disclose protected health information in providing the services under this Agreement. The parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information (the "**Privacy Regulation**") 45 C.F.R. Parts 160 & 164 under the Health Insurance Portability and Accountability Act of 1996 ("**HIPPA**") as it is currently drafted and as it may be subsequently updated, amended, or revised.
- 5.4. Auditing. The City and Dr. Lawrence Erickson shall each maintain books, records, documents and other evidence pertaining to the costs or expenses associated with the work performed pursuant to this Agreement. Upon request, the City and Dr. Lawrence Erickson shall each allow the Legislative Auditor or the State Auditor to inspect, audit, copy or abstract all of the books, records, papers or other documents relevant to this Agreement. The City and Dr. Lawrence Erickson shall each use generally accepted accounting principles in the maintenance of such books and records, and shall retain all such books, records, documents and other evidence for a period of six (6) years from the date of the completion of the activities funded by this Agreement.

**ARTICLE 6
Miscellaneous Provisions**

6.1 Medicare Sanctions or Exclusion. Each party hereby represents and warrants that it is not and at no time has been sanctioned or excluded from participation in any federally funded health care programs, including Medicare and Medicaid. Each party shall immediately notify the other party if it or any of its employees are sanctioned or excluded from any federally funded health care program, including Medicare and Medicaid, or threatened with the same. If either party or any of its employees is sanctioned or excluded from participation in any federally funded health care program during the Term of this Agreement, or if at any time after the Effective Date it is determined that a party is in breach of this requirement, this Agreement shall automatically terminate as of the effective date of such sanction, exclusion or breach.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first listed above.

THE CITY OF HASTINGS

DR. LAWRENCE ERICKSON

By: _____
Mayor

Dr. Lawrence Erickson

By: _____
City Clerk

**SCHEDULE 1.1
DUTIES AND OBLIGATIONS OF THE MEDICAL DIRECTOR**

The Medical Director and/or authorized designee shall provide the following:

Responsibilities:

1. Review and update the triage, treatment and transportation guidelines specified in the Basic and Advanced Life Support Policies and Guidelines for Minnesota (“**Guidelines**”), and policies at least annually based upon medical audit outcomes, and medical literature review.
2. Establish policies and procedures for pre-hospital care. (These Policies and Guidelines will be recognized as Basic and Advanced Life Support Policies and Guidelines for Minnesota Services.)
3. Establish procedures for the administration of medications. (The procedures will be contained in the Guidelines).
4. Establish, collect and report data points established by the Medical Director used for monitoring system performance.
5. Provide a Quality Assurance mechanism for hearing, addressing, and responding to complaints from patients and providers, including, but not limited to, case review and resolution of patient complaints.
6. Solicit and obtain input from field personnel on a variety of issues related to the development and operation of Quality Assurance and Continuing Quality Improvement programs.
7. Provide and approve standards for the training and orientation of EMS personnel that impact patient care.
8. Conduct an annual review of all medications and medical equipment for potential changes.
9. Approve standards, and provide advice as requested, for purchasing and upgrading equipment and supplies that impact patient care.
10. Conduct annual inservicing and evaluation of Guidelines content of all Emergency Medical Technicians and Paramedics.
11. Conduct patient care report audits as necessary for QA data collection purposes adhering to Article 5 Confidentiality: 5.1 Data Practices Act.
12. Maintain the quality of pre-hospital patient care according to the standards and procedures established under the responsibilities listed above.
13. Conduct regular meetings with Ambulance Department leaders and operational personnel.

Annual Skills Assessment:

1. Annually, the Medical Director or its designee shall assess the practical skills of each person on the City roster, including each person's (a) variance, (b) ALS and (c) BLS skills, and sign a statement verifying the proficiency of each individual. The statement shall be maintained in City's files.

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City shall provide the following:

1. Advise the Medical Director in a timely manner in accordance with the Policies and Guidelines of any:
 - a. complaint received concerning the delivery of care by the City.
 - b. medication or procedure (e.g., intubation) errors that occur.
 - c. equipment, vehicle, or communication failures that impacts patient care.
 - d. gross deviation from standards of care.
 - e. provide medical direction liability insurance.
2. Establish and maintain a mechanism to conduct a review of patient care reports for charting compliance.
3. Assure that all personnel meet continuing medical education requirements as established by applicable regulatory agencies.
4. Maintain a current roster, training records, data collection forms, etc.
5. Maintain the following documentation and records related to its First Responders, Emergency Medical Technicians and Paramedics:
 - Immunizations and screenings for Hepatitis B, Tetanus (every 10 years), Influenza (optional), and Mantoux (annually). Documentation must include refusal forms, if applicable;
 - HEPA or N95 respirator fit-testing;
 - Initial and annual continuing education on blood-borne and air-borne pathogens;
 - Annual Right-to-Know training;
 - Other licensing requirement documentation as required by Minnesota law;
 - Background checks
 - Initial emergency driving training; and
 - Annual practical skills proficiency statement for each individual

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First National Bank Building 332 Minnesota Street, Suite W2600
Saint Paul, MN 55101
Ph: 651-647-6254
www.rtspecialty.com

QUOTATION SUMMARY

Outlined below is a summary of the attached quotation obtained for the above noted Insured. The full quote terms, conditions and exclusions can be found on the attached quote. Please pay special attention to those items found on the quote, and note that in the event of any discrepancies between the information found on this summary and the quote itself, the quote supersedes our summary. As the broker with the direct relationship with the Insured, it is your responsibility to carefully review with the Insured all of the terms, conditions, and limitations in the quote, and to specifically reconcile with the Insured any differences between those quoted and those you requested. RT Specialty expressly disclaims any responsibility for any failure on your part to review or reconcile any such differences with the Insured.

QUOTE NUMBER: 19177588B
DATE ISSUED: May 28, 2019
PRODUCER: North Risk Partners, LLC - Mendota Heights : Shannon Milan
FROM: R-T Specialty, LLC / Jeanine Loomis
INSURED: Lawrence Gregory Erickson
 3804 W 57th Street,
 Minneapolis, MN 55410
INSURER: Admiral Insurance Company - Non-Admitted
COVERAGE: Professional Liability Full Program
POLICY PERIOD: Annual
COMMISSION: 10%

PREMIUM BREAKOUT:

Premium	\$2,500.00
Surplus Lines Filing Fee	\$100.00
Surplus Lines Tax & Stamping Fee	\$79.04
Total Cost	\$2,679.04

THIS INDICATION OF TERMS IS ONLY VALID FOR 30 DAYS

SUBJECTIVITIES:

We will only bind coverage in writing after we receive a written request from you to bind coverage. If coverage is requested, the following items must be submitted:

Requirements Prior to Binding (The following items must be received and accepted by the underwriter(s) prior to binding. Underwriters reserve the right to amend/rescind terms until such time the required documents have been received, reviewed and deemed satisfactory and acceptable.)

- Copy of insured's medical director contract.

Please note that this is a quote only, and the Insurer reserves the right to amend or withdraw the quote if new, corrected or updated information creating a material difference from the previously provided underwriting material is received. You must notify us of any material change in the risk exposure occurring after submission of the application. If the Insurer binds the risk following your written request, the terms of the policy currently in use by the Insurer will supersede the quote.

Any amendments to coverage must be specifically requested in writing or by submitting a policy change request form and then approved by the Insurer. Coverage cannot be affected, amended, extended or altered through the issuance of certificates of insurance. Underlying Insurers must be rated A- VII or better by A.M. Best.

This quote summary, the quote, the fees quoted and our advice, is confidential. This quote summary and the quote constitutes the entire understanding and supersedes any and all agreements and communications respecting the insurance offered. If you need further information about the quote, our fee or the Insurer that is proposing to provide your insurance, please contact us.

PREMIUM PAYMENT IS DUE WITHIN TWENTY (20) DAYS FROM EFFECTIVE DATE UNLESS OTHERWISE STIPULATED.

NO FLAT CANCELLATIONS

General Terms

In all cases, policy and carrier wordings take precedence.

Certificates of Insurance

Any Certificate of Insurance issued by Producer as evidence of insurance must conform to applicable laws. The Certificate must state that it is for information only, confers no rights upon the Certificate holder and the Certificate of Insurance must not extend or alter the coverage provided by the Policy(ies) listed in the Certificate. Producer is not authorized to issue, and R-T Specialty, LLC (RT) will not review, accept or approve, a Certificate of Insurance that modifies policy terms, names any other person/entity as an "additional insured" or states that any other person/entity other than those named in the Policy (ies) may receive notice of cancellation or non-renewal under such policy(ies). A policy cannot be amended by a Certificate of Insurance. If the insured requires endorsements to their policy to comply with certificate holder requirements, you must request these endorsements in writing so that underwriters may evaluate their ability to provide applicable coverage. Producer will be responsible for any error, mistake or negligence in the issuance of a Certificate of Insurance to its client.

PREMIUM FINANCE (If not included in the quote document)

If the insured and the insurer agree to bind coverage and the premium will be financed, we will need the following information and, upon binding, please instruct the premium finance company to send documents to our attention. Premium Finance funds should always be paid to R-T Specialty, LLC:

Name of Premium Finance Company:	
Premium Finance Account Number:	

PRODUCER COMPENSATION: (if not included in the quote document)

In order to place the insurance requested we may charge a reasonable fee for additional services that may include performing a risk analysis, comparing policies, processing submissions, communication expenses, inspections, working with underwriters on the coverage proposal, issuing policies or servicing the policy after issuance. We have extensive insurance experience and will represent you honestly and competently in rendering services. Third-party inspection or other fees may be separately itemized upon request. If the insured recommends an inspection company we will endeavor to determine if it is approved by the Insurer. To the extent the insured paid us a fee for services, we represent the insured in performing those services. Our fees are fully earned and nonrefundable, except when required by applicable law. Our fees are applied to new policies, renewal policies, endorsements and certificates. Fees applicable to each renewal, endorsement and certificate will be explained in the quotes. In the event that the premium is adjustable upwards, our fees are adjustable as well and will be collected against any additional premium. The fee charged by us does not obligate the insured to purchase the proposed insurance or the Insurer to bind the proposed insurance. Our fee is not imposed by state law or the Insurer. This fee authorization shall remain operative until terminated by written notice. Depending upon the Insurer involved with your placement, we may also receive a commission from the Insurer.

We may also have an agreement with the Insurer that we are proposing for your insurance that may pay us future additional compensation. This type of compensation is in addition to any fees and/or commissions that we have agreed to accept for servicing your insurance. This compensation could be based on formulas that consider the volume of business placed with the company, the profitability of that business, how much of the business is retained for the company's account each year, and other factors. The agreements frequently consider total eligible premium from all clients placed during a calendar year and any profit-sharing payment is usually received after the end of the following calendar year. Because of variables in these programs, we have no accurate way at this time to determine the amount of any additional compensation that might be attributable to your insurance.

Insurers may choose to delegate their authority for some classes of business to underwriting managers. Some affiliates of Ryan Specialty Group, LLC (RSG) have been delegated authority for underwriting or other services on behalf of Insurers. An underwriting manager (UM) is a segregated business unit separate from the brokering, sales and service teams within RSG. If you need additional information about the compensation arrangements for RSG affiliated UM's or producers please contact your RSG representative.

R-T Specialty, LLC (RT), a subsidiary of Ryan Specialty Group, LLC, provides wholesale brokerage and other services to agents and brokers. RT is a Delaware limited liability company based in Illinois. As a wholesale broker, RT does not solicit insurance from the public. Some products may only be available in certain states, and some products may only be available from surplus lines Insurers. In California: R-T Specialty Insurance Services, LLC License #0G97516.

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A.M. Best Rating: A+ (Superior) ♦ Financial Size Category: XV ♦ Admitted in New Jersey
1000 Howard Blvd. Suite 300, Mt. Laurel, NJ 08054 Phone: (856) 429-9200 Fax: (856) 429-8611
Subject: LAWRENCE GREGORY ERICKSON MD

QUOTE

Coverage **Physicians, Surgeons and Dentists Professional Liability - Claims Made**
Business Service: Medical Director - No Direct Patient Care
Limits of Liability: \$1,000,000 Each Claim
 \$3,000,000 Aggregate
Deductible **No Deductible Applies**
Premium: \$2,500 Flat Rate
Retroactive Date: Inception Professional Liability

Minimum Retained Premium: 25% Minimum Retained at Inception
 This quote is valid 30 days. This quotation may not include all terms and conditions requested.

TERMS & CONDITIONS

Schedule of Forms & Endorsements

JA10010313 COVER JACKET - ADMIRAL INSURANCE COMPANY
 DE20300703 PHYSICIANS SURGEONS AND DENTISTS PROFESSIONAL LIABILITY DECLARATIONS
 EO09541116 PHYSICIANS SURGEONS AND DENTISTS PROFESSIONAL LIABILITY INSURANCE COVERAGE PART
 AE07210998 MINIMUM RETAINED PREMIUM
 EO12600813 NON PARTICIPATION DISCLOSURE NOTICE TO POLICY HOLDERS ALL STATES PATIENTS COMPENSATION FUNDS AND INSUREDS WARRANTY OF COMPLIANCE
 EO10030710 INCIDENT TRIGGER WORDING AMENDED "CLAIM" DEFINITION
 EO10121107 ABSOLUTE UNSOLICITED COMMUNICATIONS EXCLUSION
 AI44020818 SERVICE OF SUIT
 AI66500115 PROFESSIONAL LIABILITY TERRORISM EXCLUSION (ABSOLUTE)

Subjectivities

1) Copy of insured's medical director contract.

COMMENTS

Acceptable Certificates of Insurance – Unaltered ACORD form only
 Certificates of Insurance should not be forwarded to Admiral.