

March 14, 2017

**Commissioners Court** 

MAR **27** 2017

The Honorable Roger Harmon Johnson County Judge Johnson County Courthouse 2 Main Street Cleburne, Texas 76033

Dear Judge Harmon:

Johnson County and CareFlite entered into an agreement for Paramedic Care and Ambulance services on June 22, 2015. The agreement took effect October 1, 2015. Amendment 2 to the aforementioned agreement was entered into by the parties on August 22, 2016. An extract of Amendment #2 is shown below:

## Agreement Between Johnson County, Texas and CareFlite for Paramedic Care and Ambulance Services Effective 10/1/15 Amendment #2

Article VII is amended to add Section 7.03 which shall read as follows: Care Flite shall have the right to terminate this Agreement upon one hundred and eighty (180) days written notice to County in the event Care Flite has losses in excess of one-half million dollars in its fiscal year or Care Flite can demonstrate prospected losses of one-half million dollars in its fiscal year. Care Flite will continue to provide County paramedic care and ambulance services for the one hundred and eighty (180) days after sending written notice to County as provided for in Section 3.30. Notwithstanding the above, County and Care Flite may negotiate during this time in good faith regarding any increase in the subsidy County is to pay Care Flite.

In the first four months of FY17, CareFlite's losses exceeded \$500,000. A copy of the January 31, 2017 financial statement is attached to this letter.

As a result, we regret to exercise Section 7.03 of the agreement which provides for a 180 day notice of termination. This letter serves as the notice that absent an amended agreement, service will terminate at midnight on September 30, 2017. We would be very interested in negotiating an extension with the County that takes into account the market changes which have adversely affected the system.

Douglas Filhert EMT-P

Sincerely

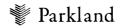
Vice President, Ground Operations

CareFlite is a 501(c)3 Not For Profit Air and Ground Ambulance Service Sponsored by:











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**camts** 

CareFlite Johnson County January 31, 2017

(\$329,956.00)	\$27,509.00	(\$535,358.00) \$27,509.00	(\$507,849.00)	Net increase/(Decrease)	(\$93,347.00)	(\$140,243.00)	\$46,896.00	(\$107,501.00)
(329,956)	27,509	(535,358)	(507,849)	Net Increase (Decrease)	(93,347)	(140,243)	46,896	(107,501)
1,882,146	37,587	1,362,044	1,324,457	Total Expenses	333,593	346,914	13,321	464,823
155,700	3,577	165,912	162,335	Depreciation Expense	40,584	41,478	894	39,397
4,428	115	2,889	2,774	Interest Expense	647	682	35	1,065
12,581	5,289	13,200	7,911	Maintenance/Repair Expenses	1,634	3,300	1,666	1,819
34,928	(2,772)	18,900	21,672	Purchased Service Expense	6,707	4,725	(1,982)	9,575
30,637	(1,849) (2,606)	15 663	18 268	Marketing & Advertising Exp	4 582 4 582	3 015	(4U5) (653)	7 650
45,396	(18,403)	24,632	43,035	Fuel Expense	11,592	6,158	(5,434)	11,602
99,032	6,872	58,452	51,580	Operating Expenses	15,284	14,613	(671)	23,500
65,496	(419)	46,744	47,163	Billing Fee Expense	10,527	11,686	1,159	17,467
63,814	(1,474)	47,808	49,282	General & Admin Expenses	10,415	11,952	1,537	16,956
1,369,11	49,257	967,137	917,880	Salary & Benefit Expenses	231,054	248,228	17,174	335,688
				Expenses				
1,552,190	(10,078)	826,686	816,608	Net Revenue	240,246	206,671	33,575	357,322
					10,000	10,000		
7	500	100,000	100.500	Other Revenue	25,000	25,000	0.4.0	(223,370) N
(1.131.745)	(46.214)	(580.424)	(626 638)	Rad Deht Expense	(128 828)	(145 106)	16 278	(2,550)
(4.54)	1 270	(1008 C/	(169,01)	Charity Caro	(6,7,0#)	(31,793)	(10,400)	(49,091)
(206.061	(42 700)	(127 171)	(160,871)	Other Day Adjustments	(310,030)	(24,702)	(34,700)	(100,400)
(2 919 306	(2.844)	(1 823 719)	(1 826 563)	Contractual Poy Adiustments	(510 G30)	(455.00.00	\$07,70E.30	400,000.50
\$5.813.842.30	\$79.910.20	\$3 260 800 00	\$3 340 710 20	Patient Revenue	\$002 Q82 50	₹815 200 00	£87 783 KA	21 400 636 00
				Revenue				
2,836	(11)	1,600	1,589	Volume	429	400	29	697
FY16 YTD Actual	Budget Variance	01/31/17 Budget	FY17 YTD Actual		01/31/17 Actual	01/31/17 Budget	Bud-Act Variance	01/31/16 Actual
	FY17	EV17 VTD						