



Approved

March 14, 2017

Commissioners Court

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

MAR 27 2017

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.

Sincerely,

Douglas Filbert EMT-P
Vice President, Ground Operations

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



WWW.CAREFLITE.ORG **MEMBERSHIP (877) DFW CARE**

3110 S. Great Southwest Pkwy. Grand Prairie, TX 75052 (972) 339-4200 (972) 988-3144 Fax



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CareFlite
Johnson County
January 31, 2017

	01/31/16 Actual	Bud-Act Variance	01/31/17 Budget	01/31/17 Actual		FY17 YTD Actual	FY17 YTD Budget	FY17 Budget Variance	FY16 YTD Actual
Revenue									
Volume	697	29	400	429		1,589	1,600	(11)	2,836
Patient Revenue	\$1,400,635.90	\$87,782.50	\$815,200.00	\$902,982.50		\$3,340,710.20	\$3,260,800.00	\$79,910.20	\$5,813,842.30
Contractual Rev Adjustments	(765,485)	(54,700)	(455,930)	(510,630)		(1,826,563)	(1,823,719)	(2,844)	(2,919,306)
Other Rev Adjustments	(49,891)	(16,486)	(31,793)	(48,279)		(169,871)	(127,171)	(42,700)	(206,061)
Charity Care	(2,560)	700	(700)	0		(1,530)	(2,800)	1,270	(4,540)
Bad Debt Expense	(225,378)	16,278	(145,106)	(128,828)		(626,638)	(580,424)	(46,214)	(1,131,745)
Other Revenue	0	0	25,000	25,000		100,500	100,000	500	0
Net Revenue	357,322	33,575	206,671	240,246		816,608	826,686	(10,078)	1,552,190
Expenses									
Salary & Benefit Expenses	335,688	17,174	248,228	231,054		917,880	967,137	49,257	1,369,117
General & Admin Expenses	16,956	1,537	11,952	10,415		49,282	47,808	(1,474)	63,814
Billing Fee Expense	17,467	1,159	11,686	10,527		47,163	46,744	(419)	65,496
Operating Expenses	23,500	(671)	14,613	15,284		51,580	58,452	6,872	99,032
Fuel Expense	11,602	(5,434)	6,158	11,592		43,035	24,632	(18,403)	45,396
Marketing & Advertising Exp	95	(405)	177	582		2,557	708	(1,849)	1,017
Insurance Expense	7,659	(652)	3,915	4,567		18,268	15,662	(2,606)	30,637
Purchased Service Expenses	9,575	(1,982)	4,725	6,707		21,672	18,900	(2,772)	34,928
Maintenance/Repair Expenses	1,819	1,666	3,300	1,634		7,911	13,200	5,289	12,581
Interest Expense	1,065	35	682	647		2,774	2,889	115	4,428
Depreciation Expense	39,397	894	41,478	40,584		162,335	165,912	3,577	155,700
Total Expenses	464,823	13,321	346,914	333,593		1,324,457	1,362,044	37,587	1,882,146
Net Increase (Decrease)	(107,501)	46,896	(140,243)	(93,347)		(507,849)	(535,356)	27,509	(329,956)
Net Increase/(Decrease)	(\$107,501.00)	\$46,896.00	(\$140,243.00)	(\$93,347.00)		(\$507,849.00)	(\$535,358.00)	\$27,509.00	(\$329,956.00)