

SERVICE AGREEMENT FOR THIRD- PARTY COLLECTION SERVICES

This service agreement (hereinafter “Agreement”) is made on _____, between **First Credit Services, Inc.** (hereinafter “AGENCY”), a NY Corporation and _____ existing under the laws of the State of _____ doing Business as _____ (hereinafter “CLIENT”).

WITNESSETH:

WHEREAS, CLIENT desires to engage AGENCY as a third party to handle certain patient debt collection services on behalf of CLIENT; and, WHEREAS, AGENCY desires to accept such engagement as a third party offered by CLIENT;

NOW, THEREFORE, in consideration for the mutual obligations contained herein, AGENCY and CLIENT, each intending to be legally bound, hereby mutually covenant and agree as follows:

- 1. Term & Termination:** This Agreement shall be effective as of the date first above written (hereinafter “Effective Date”); this Agreement shall remain in full force and effect for at least one (1) year beyond the Effective Date (hereinafter “Initial Term”), and automatically renew each anniversary date unless cancelled. Either party may terminate this agreement, without cause by giving (60) days prior written notice to the other party. However, CLIENT may not terminate this agreement if any outstanding receivables are due to AGENCY by CLIENT.
- 2. Placement:** With respect to each account referred to AGENCY for collection, CLIENT shall furnish appropriate information showing the total amount of the balance due of each account. CLIENT warrants that all debts are legal, valid, and presently due and unpaid as per the terms of their agreement. CLIENT will provide backup documentation including not limited to EOB, claims, itemized statements, back up documentation proof of payment. Agency will not accept any accounts that are 180 days past patient responsibility date.
- 3. Payment in Installment:** AGENCY may in its judgment, reasonably exercised, agree to delay or accept installment payments (payment arrangement) from the patients to pay their debt.
- 4. Notice of Direct Payment:** CLIENT shall notify AGENCY of the following information for each account on which a payment was received by CLIENT (hereafter referred to as “Direct Payments”) at the earliest however not later than seven (30) calendar days: (a) The amount of the payment; (b) The name of the account holder’s or the guarantor of the account holder’s account; and, (c) CLIENT’s account number/unique identifier
- 5. Blanket Settlement Authority & Policy:** CLIENT shall allow AGENCY in its judgment, reasonably exercised, to settle any and all accounts placed with AGENCY for collections for no less than **one hundred percent (100%)** of the original balance placed. AGENCY will request permission from CLIENT before making any settlement offer below **100%** of the original balance. CLIENT should not accept or negotiate any payment arrangement or settlement with patient for amount lower than blanket settlement authority.
- 6. Schedule of fees:** under above described agreement AGENCY fees on accounts assigned is: **28% (twenty eight percent)**. Once CLIENT places accounts with AGENCY, AGENCY is entitled to 28% (twenty eight percent) on accounts wherein payments are made to AGENCY or directly its CLIENT or CLIENTs Billing company regardless if the result is a partial payment, a settlement in full, or a payment in full. The revenue share is 72% to CLIENT and 28% to AGENCY. Any and all money received by CLIENT or its billing company after the account is placed for collection to AGENCY, regardless of the payment source, is subject to the collection fees stated herein.
- 7. Statement & Remittance:** AGENCY shall remit to CLIENT, on a monthly basis, the total amount collected, minus AGENCY fees. If CLIENT receives payments while the account is with AGENCY, CLIENT is responsible to notify AGENCY immediately upon receipt of payment. AGENCY will be entitled to fees on amounts collected by the CLIENT (“direct payments”).
- 8. Cancellation Of Debt:** Any cancellations of debt by CLIENT for reasons of acceptable proof by consumer for cancellation of debt will result in a \$50 sent in error fee to cover AGENCY’ expenses for labor, phone calls, postage, and processing on the pursuit and resolution of the debt. Cancellation of debt is defined as valid proof by the consumer or CLIENT that the debt was cancelled within the guidelines of the CLIENT’S termination clause of their signed agreement. The only way a debt can be cancelled without paying the fees described in section

6 of this agreement is by the consumer or CLIENT providing valid proof of the cancellation of debt, which will result in the \$50 sent in error fee charged to the CLIENT described in this paragraph

8a. AGENCY agrees to waive the \$50 termination charge mentioned in section 9 “cancellation of debt” for 10-days from date of placement. CLIENT t will not incur the \$50 termination fee on any and all accounts closed by CLIENT within the **10-day review period**. If CLIENT receives a payment on an account, the client may not close the account as office error without compensating AGENCY the fees described in section 6 of this agreement

9. **Statement review:** . How can they review a statement before receiving it? I think this needs to be reworded. How about, “Client will have 30 days from the date monthly statement is received to notify AGENCY in writing of any disputes or errors. If errors are not submitted within 30 days, all payments will be considered valid.

10. **Confidentiality:** The parties agree to keep all the terms of this Agreement strictly confidential, including without limitation, the Compensation terms contained in Section 6 of this Agreement. The parties further agree to maintain the confidentiality of any confidential information and/or trade secrets that they may learn about each other throughout the course of this Agreement, including without limitation, the terms of any contracts that the other party may have with any third parties.

11. **Assignment:** Except as may specifically be provided in the Agreement to the contrary, this Agreement shall inure to the benefit of and be binding upon the parties and their respective legal representatives, successors, and assigns. Except as otherwise expressly provided herein, this Agreement is assignable by any party without the prior written consent of the other party. Both parties CLIENT & AGENCY may assign this Agreement to any successor by sale, merger or acquisition of substantially all the assets of CLIENT or SERVICE PROVIDER (Assignor) without prior written consent of the other party.

12. **Warranty of Authority:** The undersigned individually warrant and represent that they are authorized to execute this Agreement on behalf of the respective parties.

13. **Governing Law and Venue:** This Agreement shall be construed and interpreted in accordance with and governed by the laws of the State of New Jersey. AGENCY and CLIENT hereby expressly agree that any action to interpret, construe, or enforce this Agreement shall be brought in a New Jersey court.

14. **Enforcement:** If either party resorts to legal action to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to seek to recover the costs and expenses of the action, including without limitation, reasonable attorneys’ fees.

15. **Severability:** If any provision of this Agreement shall be adjudged by any court of competent jurisdiction to be invalid or unenforceable for any reason, such judgment shall not affect, impair or invalidate the remainder of this Agreement.

16. **Entire Agreement:** This Agreement embodies the entire agreement of the parties hereto and supersedes all other oral or written agreements or understandings between them regarding the subject matter hereof. There are no agreements, representations or warranties of any kind, except as expressly set forth in this Agreement. The parties acknowledge that in executing this Agreement they have relied solely on their own judgment, belief and knowledge, and the advice of their own respective legal counsel and except for representations expressly set forth herein. They have not been influenced by and other representation or statement.

17. **Mutual Indemnification:** AGENCY shall indemnify and hold harmless CLIENT, its affiliates, employees and its data suppliers from and against any and all losses, damages, penalties, fines and third-party claims (including reasonable attorney’s fees and costs of settlement), whether private, state or federal, related to or arising out of SERVICE PROVIDER’s negligence, willful misconduct or negligent omission in performing its obligations hereunder. CLIENT shall indemnify and hold harmless SERVICE PROVIDER, its affiliates, and employees from and against any and all losses, damages, penalties, fines and third-party claims (including reasonable attorney’s fees and costs of settlement), whether private, equitable, state or federal, related to or arising out of CLIENT’s negligence, willful misconduct or negligent omission in performing its obligations hereunder. In no event shall CLIENT be liable for any special, indirect, or consequential damages or lost profits hereunder.

18. Neither the Service Provider nor its respective officers, directors, managers, owners and employees have knowingly or willfully violated the federal Medicare, Medicaid and HIPAA statutes and have not been excluded from participating in any federal healthcare program as defined in 42 U.S.C. § 1320a-7b, or the regulations promulgated pursuant to such statutes or related state or local statutes or regulations.

19. **Payment Remittance:** AGENCY shall submit a remittance statement and check monthly. Such statement shall include account number, name, date of payment, amount of payment, amount due CLIENT and amount due AGENCY. Both parties agree to a net remittance arrangement wherein AGENCY remits all net monies within a given month to CLIENT, minus the AGENCY fees on amount received by AGENCY or CLIENT. Checks are payable to CLIENT name and will be mailed to your the address you provide.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day and year first above written.

FIRST CREDIT SERVICES, INC.

By: 

Name: Aaron Mueller

Title: Director of Business Development

Date:

CLIENT: (dba:)

By:

Name:

Title:

Date:

Address:

City:

State:

Zip code: