

DC Medical Equipment, LLC

DME SUPPLY AGREEMENT

DC Medical Equipment LLC

This DME Supply Agreement (the “Agreement”) is made and entered into effective as of the ____ day of _____, 201__ by and between _____ (“Physician”) and DC Medical Equipment LLC, an Illinois limited liability company or its designee (“DC Medical Equipment”).

RECITALS

WHEREAS, Physician operates a medical practice that provides health services to patients;

WHEREAS, DC Medical Equipment supplies durable medical equipment specified on Exhibit A (“DME”) and related services to physicians and other health-care providers; and

WHEREAS, Physician desires to enter into this Agreement with DC Medical Equipment to facilitate the treatment of its patients and to provide a full statement of their respective responsibilities hereunder during the term of this Agreement.

FOR AND IN CONSIDERATION of the mutual covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

1. **Obligations of DC Medical Equipment.** DC Medical Equipment shall have the following duties and responsibilities:
 - (a) **DME Supply.** DC Medical Equipment shall provide to Physician DME at levels reasonable in light of anticipated needs, to be possessed by Physician, until prescribed to patients of Physician.
 - (b) **Billing and Collection Services.** Billing and collection for the DME with all insurance companies shall be the sole responsibility of DC Medical Equipment.
 - (c) DC Medical Equipment shall have a representative available during regular business hours for inquiries from the Physician and or patients relating to the DME.
 - (d) **Materials.** DC Medical Equipment shall provide Physician with literature relating to the proper maintenance and fitting of DME, and all other product specifications.
2. **Obligations of Physician.** Physician shall have the following duties and responsibilities:
 - (a) **Organization and Operation.** Physician shall at all times during the Term be and remain licensed to provide medical services and shall be responsible for obtaining and maintaining any licenses, permits, and certifications necessary for the Physician to dispense DME.
 - (b) **Provision of Physician Services.** The parties acknowledge and agree that Physician shall be responsible for and shall have complete authority, responsibility, supervision and control over the provision of all medical services rendered, and that all treatments, diagnosis, and procedures related to the use and prescription of DME shall be provided and performed exclusively by or under the supervision of Physician in such manner as Physician deems appropriate.

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- (c) Engagement of Clinicians. Physician shall be solely responsible for engaging all other physicians and all non-physician personnel necessary to the proper treatment of each patient.
- (d) Direction and Supervision of DME-Related Services. Physician shall be solely responsible for identifying appropriate patients for DME and related services, certifying the medical necessity of such DME for the respective patient and related services, scheduling all services and supervising the services.
- (e) Documentation. Physician shall provide appropriate medical documentation, as requested by DC Medical Equipment, to satisfy all applicable regulations, professional standards and billing requirements, including but not limited to certifications of medical necessity. Physician shall place all orders for DME with DC Medical Equipment using order forms provided by DC Medical Equipment and shall be responsible for selecting principal diagnosis and procedure codes based on applicable payor standards and guidelines. Physician agrees to comply with all DME order entry procedures specified by DC Medical Equipment, as it may be modified from time to time. Physician shall include the following information for any prescription:
 - i. Patient name;
 - ii. DME equipment or supplies requested;
 - iii. Diagnosis associated with prescription;
 - iv. Length of time DME will be used; and
 - v. Schedule of all in-service educational sessions.
- (f) Education. For any patient the Physician deems would benefit from the prescription of DME, Physician shall educate patient the attributes of DME and how DME may alleviate pain or provide a treatment for a medical condition. DC Medical Equipment will compensate Physician at the rate of \$200 per completion of in-service educational session.
- (g) Compliance with Law and Professional Standards. All of Physician's duties and responsibilities shall be conducted in accordance with all applicable federal, state and municipal laws, rules, regulations, ordinances and orders, professional standards and the ethical standards and standard of care of the medical community in Illinois.
- (h) DME Specifications. Physician shall observe and comply with all manufacturer product specifications with respect to the prescriptions, fitting, and maintenance of the DME.
- (i) Possession. Physician shall possess all DME provided by DC Medical Equipment in a safe and secure location and otherwise prevent all loss, theft and damage to DME. The Hospital shall store the Products on Consignment at its premises so as to be at all times segregated from all of the Hospital's inventory (the "Exclusive Storage") and shall clearly indicate that the Products on Consignment are the property of the Supplier. Title to and property of the DME shall remain with the DC Medical Equipment until such time as the DME have been prescribed by Physician and delivered to patient.
- (j) Inventory. Physician shall maintain a schedule of a DME in its possession and provide to DC Medical Equipment a weekly report of the DME in its possession, and a report of all patient prescribed DME.

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3. Termination. Either party may terminate this Agreement without cause at any time by providing prior written notice to the other party (“Termination Date”). Following the Termination Date, DC Medical Equipment shall continue to perform billing related to DME prescribed by Physician prior to the Termination Date. In addition, all DME supplied by DC Medical Equipment to Physician prior to the Termination Date must be returned not later than twenty (20) calendar days following the Termination Date. Unless otherwise provided for herein or expressly agreed upon in writing by the parties, all other obligations of the parties shall automatically terminate upon the Termination Date. Physician shall be liable to DC Medical Equipment for the costs of any DME not returned pursuant to this paragraph.

4. Insurance. The Physician shall provide DC Medical Equipment with property insurance certificates from financially responsible insurance companies evidencing insurance coverage including any personal property coverage of medical equipment and supplies at the location when Physician possesses DME upon request.

5. Non-Professional Services Only. Nothing in this Agreement is intended or shall be construed to allow DC Medical Equipment to exercise control or direction over the manner or method by which Physician can perform physician services or other professional health care services. The rendition of all physician services shall be the sole responsibility of Physician. Nothing contained herein shall be construed to permit DC Medical Equipment to engage in the practice of medicine, it being the sole intention of the parties hereto that the services to be rendered to Physician by DC Medical Equipment are solely for the purpose of providing nonmedical services to Physician to enable Physician to dispense DME. To the extent that any act or service required to be performed by DC Medical Equipment hereunder should be construed by a court of competent jurisdiction or by any governmental agency to constitute the practice of medicine, DC Medical Equipment’s requirement to perform that act or service shall be deemed waived and unenforceable.

6. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (“HIPAA”):

- (a) Definitions. All terms and phrases in this Contract shall have the same meanings as defined in 45 C.F.R. §§160, 163, and 164, subparts A and E, as amended from time to time.
- (b) Restriction on Use and Disclosure of Protected Health Information. Except as permitted or required by this Agreement or as required by law, DC Medical Equipment shall not use or further disclose any protected health information disclosed or otherwise made available to it by Physician.
- (c) Authorized Uses and Disclosures. Except as otherwise limited in this Agreement, DC Medical Equipment is hereby authorized to use and disclose protected health information for the purposes of submitting claims for payment of billing to third party payors.
 - i. Management and Administration. DC Medical Equipment may use and disclose protected health information to carry out the legal responsibilities of DC Medical Equipment, provided:
 - a. The disclosure is required by law; or,
 - b. DC Medical Equipment obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person and the person will

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immediately notify the DC Medical Equipment of any instances of which it is aware in which the confidentiality of the information has been breached.

- ii. Violations of Law. DC Medical Equipment may use protected health information to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j) (1).

(d) DC Medical Equipment's Obligations.

- i. Safeguards. DC Medical Equipment shall use appropriate safeguards to prevent use or disclosure of protected health information other than as permitted or required by this Agreement or as required by law.
 - a. Security of Electronic Protected Health Information. DC Medical Equipment will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of patients.
- ii. Reporting. DC Medical Equipment shall report to Physician any use or disclosure of protected health information not permitted by this Agreement of which it becomes aware. Furthermore, DC Medical Equipment shall report to Physician any security incident of which it becomes aware.
- iii. Agents and Subcontractors. DC Medical Equipment shall ensure that any agent, including any subcontractor, to whom it provides protected health information, agrees to the same restrictions and conditions that apply to DC Medical Equipment under this Contract.
- iv. Individual's Access to Information. DC Medical Equipment shall make available and permit access to protected health information about an individual by that individual in accordance with 45 C.F.R. §164.524.
- v. Accounting of Disclosures. DC Medical Equipment shall document such disclosures of protected health information and information related to such disclosures as would be required for Physician to respond to a request by an individual for an accounting of disclosures of protected health information in accordance with 42 C.F.R. §164.528.

7. Physician Indemnification. Physician hereby covenants and agrees to indemnify and hold harmless DC Medical Equipment and its officer, shareholders, agents, and employees from and against any and all claims or demands by or on behalf of any person, firm, corporation or governmental authority, arising out of, attributable to or in connection with any prescription, diagnosis, medical care or treatment, or other medical services concerning the DME or services performed and rendered hereunder, including, but without limitation, any and all claims for injury or death to persons or damage to property. Physician also covenants and agrees to hold the DC Medical Equipment harmless from and against all judgment costs, counsel fees, expense and liabilities incurred in connection with any such claim and any action or proceeding brought thereon, and in case any actions is brought against DC Medical Equipment by reason of any such claim, the Physician upon notice from DC Medical Equipment will resist and defend such action or proceeding by qualified counsel. However, the provisions of this section shall not apply to any claims arising from the willfully wrongful acts or omissions of DC Medical Equipment.

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8. Attorney Fees. The parties agree that in the event of a breach of this Agreement, the breaching party shall be liable to the non-breaching party for all costs and attorney fees incurred, in the enforcement of this Agreement.

9. Miscellaneous.

- (a) Assignment. Neither party may assign this Agreement without the prior written consent of the other party; provided, however, that DC Medical Equipment shall have the right to assign this Agreement without Physician's consent to any person or entity: (i) that acquires all or substantially all of the assets of DC Medical Equipment, (ii) into which DC Medical Equipment merges or (iii) to whom a majority equity interest in DC Medical Equipment is sold.
- (b) Waiver of Breach. No assent or waiver, express or implied, of any breach of any one or more of the covenants, conditions, or provision hereof, shall be deemed a waiver of any other covenant, condition, or provision hereof, or a waiver of any subsequent breach of the same covenant, condition, or provision.
- (c) Notices. Any and all notices, demands, requests, and any other communication required or permitted to be served on or given by either party to the other shall be in writing and delivered personally, by nationally-recognized overnight courier or by deposit in the United States Mail, first class postage prepaid, certified or registered mail, return receipt requested, addressed to the party to whom it is to be given at the address hereinafter set forth:

If to Physician:

If to DC Medical Equipment:

Dr. Valerie Hover
1164 W. Madison Street, #307
Chicago, Illinois 60607

or such other address as the parties shall inform each other in writing. Each party will promptly notify the other party in writing within five business days of any changes in its ownership or business address; any legal or governmental action initiated against it which could materially affect this Agreement; and, any other known occurrences that could materially impair the other party's ability to carry out its duties and obligations under this Agreement.

- (d) Governing Law. This Agreement, all of its terms and conditions, and all of the legal relations between the parties hereto created hereunder, shall be determined in accordance with, and governed by, the laws of the State of Illinois. The parties hereby consent to the exclusive jurisdiction of any state or federal court located within the county of Cook, the State of Illinois. Physician waives personal service of any and all process upon it, and consents that all such service of process be made by messenger, certified mail or registered mail directed to Physician at the address set forth above its signature hereto and service so made shall be deemed to be completed upon the earlier of actual receipt or three (3) calendar days after the same shall have been posted to Physician's address.

* 1164 W. Madison St. #307 * Chicago, IL 60607 * (PH) 630.675.8515 *
customersupport@dcmdequip.com

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Physician further waives any right it may otherwise have to collaterally attack any judgment entered against it.

- (e) Severability. If any part or parts of this Agreement are held to be invalid, the remaining parts of the Agreement shall continue to be valid and enforceable as to the parties hereto.
- (f) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of such counterparts shall together constitute one and the same agreement.
- (g) Entire Agreement. The Agreement contains the sole and entire agreement between the parties, and shall supersede any and all other agreements between parties, either oral or in writing, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year hereinabove first written.

PHYSICIAN

DC MEDICAL EQUIPMENT, LLC

By: _____

By: Dr. Valerie Hover

Date: _____

Date: _____

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