

*Compliments of Thompson Coe*  
*for the letter of intent written below*

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# SEBELIUS

DURABLE MEDICAL EQUIPMENT COMPANY  
PROUDLY SERVING SINCE 2009

1234 Governor's Road  
Kansas City, Kansas 47525  
555-555-5555

## LETTER OF INTENT TO SUBCONTRACT

October 14, 2010

### **§ 1 - Preamble**

Sebelius Durable Medical Equipment Company (“Sebelius” and/or “Contractor”) and Thompson Coe Medical Equipment Subcontractors (“Thompson Coe” and/or “Subcontractor”) hereby execute this letter of intent to enter into a subcontracting relationship and provide services under the Centers for Medicare and Medicaid (“CMS”) DME Authorized Supplier Program.

#### **Proposed Contractor:**

Sebelius Durable Medical Equipment Company - NPI # 2221479630/ Tax ID# 36558977745

#### **Proposed Subcontractor:**

Thompson Coe Medical Equipment Subcontractors - NPI # 2325891240 / Tax ID# 55899987445

Sebelius and Thompson Coe are entering into this arrangement specifically to contract for supply and provision of Oxygen and Oxygen Equipment in the Dallas-Fort Worth-Arlington, Texas MSA, as defined by CMS. Exhibit “A”, listing all products specifically covered by this agreement, is attached hereto and fully incorporated as if fully set forth herein.

### **§ 2 – Purpose**

The Contractor has chosen to enter into this arrangement with Subcontractor for the purposes of receiving product line support and personnel support. Both the Contractor and Subcontractor expressly warrant and represent that its agreement is solely for lawful and legitimate business purposes and is in no way an attempt to circumvent the policies and procedures outlined by CMS. Nor does this agreement intend to bind the parties to undertake any actions that violate 42 U.S.C. § 1320a-7b, the Anti-Kickback Statute.

### **§ 3 -- Conditions Precedent to Serving as Authorized CMS Supplier**

The Subcontractor expressly warrants and represents that it meets all of the conditions precedent to being an authorized subcontractor. This includes, but is not limited to: accreditation, financial solvency, requisite state licensing, and all other requirements articulated in 42 CFR § 414.414.

The Subcontractor further warrants and represents that it has never been excluded from Medicare or any state run health services program. Subcontractor also expressly warrants and represents that it has never been sanctioned by Medicare or any state run health services program for violations of any applicable rules. Subcontractor agrees to notify Contractor immediately to any material changes in Subcontractor's status as an eligible CMS provider.

#### **§ 4 - Fee Schedule**

Contractor and Subcontractor agree to be bound by the terms of the Fee Schedule, attached hereto as Exhibit "B" and fully incorporated as if set forth herein.

#### **§ 5 - Cooperation with Bidding Program**

Subcontractor fully agrees to cooperate with Contractor throughout the entire DMEPOS Competitive Bidding Program. This includes, but is not limited to, disclosing additional information, providing documentation, and taking any other such measures which CMS may require of competitive bidding winners and subcontractors.

#### **§ 6 - Term of Agreement**

The term of this agreement shall not exceed three (3) years, which is the term of the contracts awarded by CMS.

Contractor further expressly reserves the right to terminate this agreement at any time as long as Contractor provides Subcontractor with ninety (90) days notice.

#### **§ 7 - Proof of Insurance**

Subcontractor covenants and expressly warrants that Subcontractor maintains the requisite amount of insurance required by CMS, which is currently at least \$300,000.00 in comprehensive liability insurance covering Subcontractor's place of business, employees, and customers.

Subcontractor further warrants to maintain to stay abreast of CMS's insurance requirements and to remain compliant throughout the total duration of the contract period.

Subcontractor also agrees to provide Contractor with proof of sufficient insurance within ten (10) days of any request by Contractor.

**§ 8 – Indemnification**

Both parties agree that they will indemnify the other in the event of a lawsuit or other liability that arises out of the party's breach of this Agreement or other acts of negligence.

Both Sebelius Durable Medical Equipment Company and Thompson Coe Medical Equipment Subcontractors fully execute and agree to be bound by the terms and conditions stated above.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2010

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Sebelius Representative

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Thompson Coe Representative