IN THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA BLUEFIELD DIVISION

MICHAEL AND TABITHA COX, individually and on behalf of their minor child, W.C.,

Plaintiffs,

No. _____

v.

AIR METHODS CORPORATION and ROCKY MOUNTAIN HOLDINGS, LLC,

Defendants.

EXHIBIT 1



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Transmittal 12/04/2017 CT Log Number 532409651

Service of Process

TO: Cheryl Brackney Air Methods Corporation 5500 S. Quebec Street, Suite 300 Greenwood Village, CO 80111

RE: Process Served in West Virginia

FOR: Rocky Mountain Holdings, L.L.C. (Domestic State: DE)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION:	MICHAEL AND TABITHA COX, individually and on behalf of their minor child, W			
DOCUMENT(S) SERVED:	Notice, Summons, Complaint, request, Exhibit(s)			
COURT/AGENCY:	Mercer County Circuit Court, WV Case # 17C314DS			
NATURE OF ACTION:	Medical Injury - Improper Care and Treatment - August 21, 2015			
ON WHOM PROCESS WAS SERVED:	C T Corporation System, Charleston, WV			
DATE AND HOUR OF SERVICE:	By Certified Mail on 12/04/2017 postmarked on 11/30/2017			
JURISDICTION SERVED :	West Virginia			
APPEARANCE OR ANSWER DUE:	Within 30 days after service, exclusive of the day of service			
ATTORNEY(S) / SENDER(S):	Eric J. Buckner katz, kantor, Stoenstreet & Buckner, PLLC 207 South Walker Street Princeton, WV 24740 304-431-4050			
ACTION ITEMS:	CT has retained the current log, Retain Date: 12/05/2017, Expected Purge Date 12/10/2017			
	Image SOP			
	Email Notification, Jodi Losinger jlosinger@airmethods.com			
	Email Notification, Crystal Gordon cgordon@airmethods.com			
	Email Notification, Lisa Storey lisa.storey@airmethods.com			
	Email Notification, Chris Brady christopher.brady@airmethods.com			
	Email Notification, Laurel Beltran laurel.beltran@airmethods.com			
	Email Notification, Cheryl Brackney cheryl.brackney@airmethods.com			
	Email Notification, Jasmine Hain jasmine.hain@airmethods.com			

Page 1 of 2 / DV

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Information displayed on this transmittal is for CT Corporation's record keeping purposes only and is provided to the recipient for quick reference. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information contained in the documents themselves. Recipient is responsible for interpreting said documents and for taking appropriate action. Signatures on certified mail receipts confirm receipt of package only, not contents.

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Service of Process

CT Log Number 532409651

Transmittal 12/04/2017



TO: Cheryl Brackney Air Methods Corporation 5500 S. Quebec Street, Suite 300 Greenwood Village, CO 80111

RE: Process Served in West Virginia

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FOR: Rocky Mountain Holdings, L.L.C. (Domestic State: DE)

SIGNED: ADDRESS: TELEPHONE:

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C T Corporation System 5400 D Big Tyler Road Charleston, WV 25313 919-821-7139

Page 2 of 2 / DV

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Information displayed on this transmittal is for CT Corporation's record keeping purposes only and is provided to the recipient for quick reference. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information contained in the documents themselves. Recipient is responsible for interpreting said documents and for taking appropriate action. Signatures on certified mail receipts confirm receipt of package only, not contents.

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CERTIFIED MAIL



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Case 1:17-cv-04610 Document 1-1 Filed 12/22/17 Page 5 of 28 PageID #: 15

Office of the Secretary of State Building 1 Suite 157-K 1900 Kanawha Blvd E. Charleston, WV 25305

9214 8901 1251 3410 0002 1929 11

ROCKY MOUNTAIN HOLDINGS, LIMITED LIABILITY COMPANY C. T. Corporation System 5400 D Big Tyler Road CHARLESTON, WV 25313



Mac Warner Secretary of State State of West Virginia Phone: 304-558-6000 886-767-8683 Visit us online: www.wvsos.com

Control Number: 206301

Defendant: ROCKY MOUNTAIN HOLDINGS, LIMITED LIABILITY COMPANY 5400 D Big Tyler Road CHARLESTON, WV 25313 US Agent: C. T. Corporation System County: Mercer Civil Action: 17-C-314 Certified Number: 92148901125134100002192911 Service Date: 11/27/2017

I am enclosing:

1 summons and complaint

which was served on the Secretary at the State Capitol as your statutory attorney-in-fact. According to law, I have accepted service of process in your name and on your behalf.

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in your name and on your behalf as your attorney-in-fact. Please address any questions about this document directly to the court or the plaintiff's attorney, shown in the enclosed paper, not to the Secretary of State's office.

Sincerely,

Mac Warner

Mac Warner Secretary of State

SUMMONS

IN THE CIRCUIT COURT OF MERCER COUNTY, WEST VIRGINIA

MICHAEL AND TABITHA COX, individually and on behalf of their minor child, W

Plaintiffs,

CIVIL ACTION NO. 17-C-3

AIR METHODS CORPORATION AND ROCKY MOUNTAIN HOLDINGS, LLC,

Defendants.

Serve:

Rocky Mountain Holdings, LLC CT Corporation System 5400 D Big Tyler Road Charleston, West Virginia, 25313

To the above-named Defendant:

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon Eric J. Buckner, Esq., of Katz, Kantor, Stonestreet & Buckner, PLLC, and Jason E. Causey, Plaintiffs' attorneys, whose addresses are 207 S. Walker Street, Princeton, West Virginia, 24740, and Bordas & Bordas, 1358 National Road, Wheeling, West Virginia, 26003, respectively, an answer, including any related counterclaim you may have to the complaint filed against you, and to serve your answer within thirty (30) days after service of this summons, exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred from asserting in another action any claim you may have which must be asserted by counterclaim in the above-styled civil action.

Dated: 08

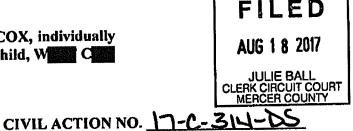
JULIE BALL, Clerk of Court

instal

IN THE CIRCUIT COURT OF MERCER COUNTY, WEST VIRGINIA

MICHAEL AND TABITHA COX, individually and on behalf of their minor child, Ward Card

Plaintiffs,



AIR METHODS CORPORATION AND ROCKY MOUNTAIN HOLDINGS, LLC,

Defendants.

CLASS ACTION COMPLAINT

Plaintiffs Michael and Tabitha Cox, individually and on behalf of their infant son, W C C , bring this action against Defendants Air Methods Corporation and Rocky Mountain Holdings, LLC on behalf of themselves and all others similarly situated pursuant to Rules 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure.

NATURE OF THE CASE

1. Plaintiffs bring this action under Rules 23(b)(2) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of themselves their minor child, W Common and for similarly situated patients transported by Defendants to the hospital from a location in West Virginia. For patients like W Com, first responders or other emergency personnel determine whether a patient needs a helicopter for emergency travel to the hospital. As such, no written contract is established between patients and the Defendants.



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- 2. Instead of charging patients a uniform, customary, and reasonable rate, Defendants seek to charge higher prices that bear no reasonable relationship to the services rendered or what is customarily charged for the services. On information and belief, these prices and charges are generally muny times the actual cost of providing medical transport. By forcing this pricing scheme upon Plaintiffs and other patients without their knowledge and without regard to any health insurance payor, managed care payor, or governmental payor. Defendants breached their duty to charge reasonable rates for services, breached the covenant of good faith and fair dealing, and/or were unjustly enriched at the expense of the Plaintiff Class.
- 3. In this action, Plaintiffs, on behalf of the Plaintiff Class, seek alternatively to enjoin Defendants from charging anything above the reasonable rate for services rendered, where the patient has not previously had a fair opportunity to negotiate a contract before services are rendered.
- 4. Defendants conceal their pricing structure by failing to enter into preferred provider contracts with managed care companies and require patients to pay the bill in full and seek reimbursement from their insurance companies.
- 5. Defendants do not negotiate rates with patients and instead impose excessive charges that bear no reasonable relationship to the cost of the services rendered.
- 6. The decision by Defendants to charge unreasonable prices is not supported by any rational pricing analysis. Instead, the prices charged Plaintiffs and members of the Class are the result of Defendants' policy of establishing an



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inflated and unconscionable pricing scheme and seeking to capitalize on the. duress of the patients who have little to no ability to negotiate.

JURISDICTION AND VENUE

 The Court has personal jurisdiction over Defendants because Defendants are authorized to, and conduct, substantial business in West Virginia, including Randolph County, West Virginia.

 Venue is proper in this court as the issues given rise to this complaint arose in Mercer County, West Virginia.

THE PARTIES

Plaintiff Michael Cox is a citizen and resident of Mercer County, West
 Virginia.

10. Plaintiff Tabitha Cox is a citizen and resident of Mercer County, West Virginia.

11. Plaintiff, War Car, is a minor child residing with his parents, Michael and Tabitha Cox in Mercer County, West Virginia.

12. Defendant, Air Methods Corporation is a foreign corporation, incorporated under the laws of Delaware with its principal place of business at 7301 South Peoria Street, Englewood, Colorado 80112. Defendant is registered with the West Virginia Secretary of State to do business in West Virginia and may be served through its registered agent CT Corporation System, 5400 D Big Tyler Road, Charleston, West Virginia, 25313.

13. Defendant Rocky Mountain Holdings, LLC, is a limited liability company organized under the laws of Delaware with its principal place of



business at 7301 South Peoria Street, Englewood, Colorado 80112. Defendant is registered with the West Virginia Secretary of State to do business in West Virginia and may be served through its registered agent CT Corporation System, 5400 D Big Tyler Road, Charleston, West Virginia, 25313.

FACTUAL BACKGROUND

14. On August 21, 2015, Defendants transported Plaintiffs' infant son, W

15. No oral or written contract was agreed upon by Plaintiffs and Defendants.

16. Following transport, Defendants billed Plaintiffs a total of \$52,634.76, and itemized this charge as \$28,887.04 as the base charge, along with an additional \$23,747.72 for the 76 rotor miles of transport.

17. Plaintiffs had PEIA insurance which paid a reasonable amount of
\$6,704.14 and advised Plaintiffs that their portion of the bill would be \$586.79.

18. Plaintiffs later received a bill for the amount of \$45,930.62 for the remaining balance of the original \$52,634.76 bill after PEIA's payment on Plaintiffs behalf.

19. In one of its bills to Plaintiffs, attached as Exhibit A to this Complaint, Defendants state the following:

Your insurance has <u>denied or underpaid</u>; we have filed an appeal on your behalf. Please contact them now.



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20. PEIA continued to deny the claim. According to a letter to Plaintiffs dated May 6, 2016, and attached hereto as Exhibit B, "PEIA pays based on a reasonable and customary rate in the geographic area. PEIA currently pays air-ambulance claims at the air-ambulance rates as set by the Federal Medicare program. The Medicare program goes to great lengths to determine appropriate rates. Again, local air-ambulance providers routinely accept these PEIA reimbursements as payment in full." PEIA further states, "With respect to your claim, PEIA has paid \$6,704.14, what it believes to be a reasonable amount. PEIA cannot agree to pay an additional \$45,930.62. This amount is clearly excessive."

21. Defendants' statement set forth above is a thinly veiled attempt to avoid the application of common law *quantum meruit*. Nonetheless, West Virginia law applies.

22. On information and belief, the amount sought by Defendants exceeds the "uniform, customary, and reasonable amount" typically charged in West Virginia for similar transport. Moreover, the amount charged does not represent the reasonable value of services rendered and is excessive.

23. Defendants' pricing policies and balance billing apply uniformly regardless of any amount that a third-party payor may make on behalf of their insured or member.

24. At all material times Plaintiffs lacked knowledge of the unreasonableness and unconventionality of the rate charged by Defendants for transport service.

KATZ, KANTOR, STONESTREET & BUCKNER, PLLC 5

25. Plaintiffs' action is not barred by 49 U.S.C. § 41713, the Airline Deregulation Act, as this action does not affect the price of air transportation and, as such, the price in Defendants' invoice was not an agreed upon amount prior to Defendants transportation of Plaintiffs. The only basis Defendants have to enforce any rights against Plaintiffs is through quasicontract or *quantum meruit* under state law. Any application of 49 U.S.C. § 41713 would actually operate to prohibit Defendants from collecting any fees that were outside the four corners of a contract.

CLASS ACTION ALLEGATIONS

Plaintiffs adopt the previous allegations as if fully set forth herein.
Plaintiffs bring this action under Rules 23(b)(2) and 23(b)(3) of the
Federal Rules of Civil Procedure on behalf of a Class of all persons similarly situated, defined as follows:

All patients who, without entering a written agreement with Defendants for medical transport prior to the transport, received medical transport by Defendants from a location in West Virginia to a healthcare facility during the period of five (5) years prior to the commencement of this action.

28. The members of the Class are so numerous that the joinder of all members is impractical. Upon information, the proposed class would include hundreds, if not thousands, of class members. Defendants purport to be industry leaders in air medical transport, have multiple hospital and community bases within the state of West Virginia, and service a large geographic area within the state of West Virginia.

KATZ, KANTOR, STONESTREET & BUCKNER, PLLC 29. Upon information, Defendants keep detailed transport and billing records from which the class members can be readily and easily ascertained without resort to individualized fact finding. Specifically, those patients who received medical transport from a West Virginia location to a healthcare facility can be identified though Defendants' transport and medical records. The unreasonable rates charged by Defendants for each of those class members can also be determined by reference to Defendants' billing records.

30. There are questions of law and fact common to the Class, which predominate over any questions affecting only individual Class members. The common questions of law and fact include, without limitation:

- a. whether the provision of medical transport by Defendants to members of the Class in the absence of a written agreement created an implied contract between Defendants and members of the class;
- b. whether members of the Class were charged prices for services rendered in the State of West Virginia that violated implied contracts between Defendants and members of the Class;
- c. whether members of the Class were charged prices by Defendants in the State of West Virginia that were so high as to be unreasonable and unconscionable;
- d. whether Defendants have been unjustly enriched by charging members of the Class unreasonably high rates for services and materials;
- e. whether Defendants breached a contractual relationship with each Plaintiff and members of the Class, including breach of the covenant of good faith and fair dealing, by charging members of the Class unreasonable prices for transport services;
- f. whether Plaintiffs and members of the Class are entitled to restitution of overcharges collected by Defendant;
- g. whether Plaintiffs and the Class Members sustained damages as a result of Defendants' breach of implied contract by charging an unreasonable rate.



31. Plaintiffs' claims are typical of those of the other class members because Plaintiffs and the class received medical transport from Defendants for which they were billed excessive amounts. This is true regardless of whether Plaintiffs or the class had a third party payor at the time of transport. Plaintiffs are part of the class they seek to represent – they possess the same interest as the absent class members and have suffered the same injury.

32. Plaintiffs will fairly and adequately represent and protect the interests of the members of the class and Plaintiffs have retained competent counsel with experience in class action litigation. Plaintiffs have no interests that are contrary to, or in conflict with, those of the class that Plaintiffs seek to represent. The mere existence of third party payors that may have an obligation to pay a part of the unreasonable rates Defendants' charged to the class presents no intra-class conflict between Plaintiffs or the class.

33. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since joinder of all the members of the Class is impracticable. Furthermore, the adjudication of this controversy through a class action will avoid the possibility of inconsistent and potentially conflicting adjudication of the asserted claims. There will be no difficulty in the management of this action as a class action.

34. Damages for any individual class member are likely insufficient to justify the cost of individual litigation, so that in the absence of class treatment, Defendants' violations of



law inflicting substantial damages in the aggregate would go unremedied without certification of the Class.

35. Alternatively, Defendants have acted or refused to act on grounds that apply generally to the class, as alleged above, and injunctive relief is alternatively proper under Rule 23(b)(2).

FOR A FIRST CAUSE OF ACTION BREACH OF IMPLIED CONTRACT

36. Plaintiffs adopt the allegations of the previous paragraphs as if fully restated herein.

37. Prior to the receipt of services, no negotiation of contract terms took place and Plaintiffs and Defendants did not enter into either a written or oral agreement on the terms of any contract, particularly the price Defendants charged for transport services.

38. Prior to sending Plaintiffs and members of the class a bill, Defendants never disclosed the rates it charges for its services. As these agreements contained an undefined price term they constituted an implied contract and Defendants were obligated to charge the fair and reasonable value of the services and materials it provided to Plaintiffs and each member of the class.

39. Instead of charging Plaintiffs and members of the Class the fair and reasonable value of its services and materials, Defendants breached the implied contracts, including the implied covenant of good faith and fair dealing, by charging inflated prices that bear no reasonable relationship to the services rendered.

STONESTREET & BUCKNER, PLLC 40. By any measure, the prices Defendants charged Plaintiffs and members of the Class for medical transportation services were unreasonable. These prices far exceed lawful amounts under any reasonable measure, including, but not limited to, those paid by third-party payors, including the "uniform, customary, and reasonable" amount paid by health insurance companies and the amount paid by Medicare and Medicaid for the same services.

41. As a result of Defendants' breach of the implied contracts, Plaintiffs and members of the Class have incurred damages in the amount of the overcharges levied by Defendant. Plaintiffs and members of the Class are therefore entitled to actual damages, pre-judgment interest, and such other relief as set forth in the prayer below.

FOR A SECOND CAUSE OF ACTION DECLARATORY AND INJUNCTIVE RELIEF

42. Plaintiffs adopt the allegations of the previous paragraphs as if fully restated herein.

43. Alternatively, Plaintiffs seek injunctive and declaratory relief for the purposes of determining questions of actual controversy between class members and Defendants.

44. As set forth above, the alternatively proposed injunctive class also meets the requirements of Rule 23(a), as set forth above and incorporated here.

45. Plaintiffs seek declarations to determine the rights of the class members and to enjoin Defendants from further engaging in a pattern of activity whereby they uniformly charge an unreasonable rate for transport services in West



Virginia to persons that have no ability to negotiate and that lack knowledge of facts underlying the unreasonableness and unconventional nature of Defendants' rates.

46. The implied contracts between Plaintiffs and Defendants do not contain a defined price term which is necessary to the formation of an enforceable contract. As such, Plaintiffs seek an order from the Court that the purported bills submitted by Defendants to Plaintiffs and the class are unenforceable contracts because of the lack of mutuality.

47. In the absence of an enforceable contract, Defendants are entitled to receive the fair and reasonable value of the benefits bestowed upon members of the class. The charges billed by Defendants to members of the class greatly exceeded the reasonable value of the benefit bestowed. As a result, Defendants have been unjustly enriched by the overcharges it has levied against members of the Class through the improper and/or illegal acts alleged in this Complaint.

48. Plaintiffs and members of the class seek the disgorgement of Defendants' illicit profits, and restitution in the amount of excess charges levied by Defendant and other relief as set forth in the prayer below.

49. As a result of Defendants' improper and unconscionable charging practices as described above, Plaintiff and all members of the class have suffered, and will continue to suffer, irreparable harm and injury.

50. Accordingly, Plaintiffs and members of the class respectfully ask the Court to enter a permanent injunction ordering Defendants to cease and desist its practice of charging Plaintiffs and the class unconscionable and/or unreasonable



prices for medical care, at rates far in excess of rates that are uniform, customary, and reasonable.

51. Plaintiffs and members of the Class further seek a prospective order from the Court requiring Defendant to: (1) cease the charging of unreasonable rates; and (2) to cease its attempts to collect from the class outstanding medical bills for amounts beyond what are reasonable charges.

PRAYER FOR RELIEF

WHEREFORE, based on the foregoing claims, Plaintiffs, on behalf of themselves and all members of the Class they represent, seek judgment and relief against the Defendants as follows:

- a) for an order certifying the Class, designating Plaintiffs as the Class Representatives and Plaintiffs' attorneys as Class Counsel;
- b) for judgment on each claim against the Defendant on behalf of the class;
- c) for compensatory and all other allowable damages under the causes of action asserted herein, including pre-judgment interest;
- d) for an order requiring restitution of overpayments made by members of the Plaintiff Class to Defendant, and disgorgement of the money the Defendant had improperly collected;
- e) alternatively, for permanent injunctive relieve enjoining the Defendants from continuing in the improper and/or unlawful acts alleged herein;
- f) alternatively, in the unlikely event Plaintiffs cannot meet the requirements of Rule 23(b)(3), for an order certifying certain liability issues which exist, predominate, and are susceptible to class-wide proof;
- g) for reasonable attorneys' fees; and
- h) for such other and further relief as the Court may deem appropriate.



REQUEST FOR JURY TRIAL

Plaintiffs, on behalf of themselves and the Class, request trial by jury on all claims so

triable.

DATED: 8/18/17

Respectfully submitted:

Eric J. Buckner West Virginia Bar # 9578 KATZ, KANTOR, STOENSTREET & BUCKNER, PLLC 207 South Walker Street Princeton, West Virginia 24740 304-431-4050 ebuckner@kksblaw.com

and

2 Jason E-Causey

West Virginia Bar #9482 James G. Bordas, Jr. West Virginia Bar #409 BORDAS & BORDAS, PLLC 1358 National Road Wheeling, WV 26003 (304) 242-8410 jcausey@bordaslaw.com



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Rocky Mountain Holdings LLC

PO Box 713375 • Cincinnati, OH 45271-3375 Customer Service: (888) 636-4438

Air Medical Transport Services provided by: Air Methods Corporation

Patient Name: Run Number:	Weight C	Date of Call: Time of Call:	08/21/2015 20:23:00	
Notice Date:	March 22, 2018	From:	Princeton Comm Hospital	
		To:	Camc Women's & Children's Hospita	
Michael Cox 128 Martin Ave Princeton WV 24739-8317		Primary Payor: Health Smart Commercial		
		Secondary Payor:		
		Contractual		
Description A0431 Helilo	opter Rotor Base	<u>Qty.</u> <u>Price</u> 1 28887.04	Allowance Amount 0.00 23887.04	
	oter Rotor Miles	76 23747.72	0.00 23747.72	

A0436 Helicopter Rotor Miles

Payor: Health Smart Commercial 2451 Other Payments: Dep. Date: 02/23/2016

BALANCE DUE:

-\$2557.40 -\$4146.74 \$45930.62

YOUR INSURANCE HAS <u>DENIED OR UNDERPAID</u>; WE HAVE FILED AN APPEAL ON YOUR BEHALF. PLEASE CONTACT THEM NOW.

If you have an employer-sponsored plan please contact your employer. We are here to help, please contact us toll free (888) 636-4438 with any questions or if you would like us to join you in a conference call with your insurance company.

Please refer to your run number on all correspondence.

BODEXLINC TODINVOEND

Federal Tax ID #: 870533822 ***DETACH LOWER PORTION AND RETURN STUB WITH YOUR PAYMENT THANK YOU.***

PO Box 2532 Fontana, CA 92334-2532 ADDRESS SERVICE REQUESTED

March 22, 2016

7	Curd number plus 3 or 4 digit secunty code (on back of cala)			
	Coroholdor Name	EXH DATE /		
A STATE	Cardholder Signature	AMOUNT \$		

▼ PLEASE MAKE CHECKS PAYABLE TO ▼

Rocky Mountain Holdings LLC PO Box 713375 Cincinnati, OH 45271-3375

þ		<u> </u>	AMOUNT DUE \$45930.62	
RUN NUMBER 15-140527	DATE OF SERVICE 08/21/20	STATEMENT DATE	AMOUNT	
		EXI	IBIT	Α
	}			

Earl Ray Tomblin Governor



Ted Cheatham Director

WV Toll-free: 1-888-680-7342 • Phone: 1-304-558-7850 • Fax: 1-304-558-2470 • Internet: www.wvpeia.com

May 6, 2016

Michael Cox 128 Martin Avenue Princeton, WV 24739

RE: Air Transport Payment DOS: August 21, 2015 PT: Wet C

Dear Mr. Cox,

This is in response to your above-referenced appeal requesting that PEIA reconsider the claim and pay an additional \$45930.62 toward the claim of Air Methods Corp., or in the alternative, that PEIA engage in negations with Air Medical Corp. on their claim.

PEIA is not an insurance company. All PEIA funds are State and public employee money. PEIA is a State agency that provides self-funded health care coverage benefits to eligible public employees and their eligible dependents. Generally, in-State medical providers are required by State law to accept the reimbursement rates which PEIA pays and are prohibited from balance-billing PEIA members for amounts over and above what PEIA pays (see W.Va. Code §16-29D-4). There is in exception in this law, however, for emergency care and for out-of-state care, where the balance-billing prohibition does not apply. Your air-ambulance transport would fall under this exception.

Despite the exception, air-ambulance providers in West Virginia have traditionally accepted PEIA reimbursements and not balance-billed our members. This is still the case with some air-ambulance providers. For providers with whom PEIA does not have a contract with agreed-upon payment rates, PEIA pays based on a reasonable and customary rate in the geographic area. PEIA currently pays air-ambulance claims at the air-ambulance transport rates as set by the Federal Medicare program. The Medicare program goes to great lengths to determine appropriate rates. Again, local air-ambulance providers routinely accept these PEIA reimbursements as payment in full.

601 – 57th Street, SE • Suite 2 • Charleston, WV An equal opportunity employer. EXHIBIT B

Page 2 May 6, 2016

Air Methods Corp. and certain other out-of-state based for-profit air-ambulance providers have recently entered the West Virginia market and the surrounding region and essentially assert that they can bill and should be paid whatever amount they say. The rates they often claim are not reasonable, nor customary and are excessive. PEIA has attempted to keep an open dialog with these providers to reach an agreement on reasonable rates in the West Virginia and surrounding area.

With respect to your claim, PEIA has paid \$6704.14, what it believes to be a reasonable amount. PEIA cannot agree to pay an additional \$45930.62. This amount is clearly excessive. While we understand your situation, PEIA has fiduciary duty to all the members of the Plan and cannot simply agree to providers who claim exorbitant rates. PEIA is working with the West Virginia Attorney General to help find a solution to this ongoing problem.

Sincerely,

B. Keith Huffman General Counsel

BKH/tn/jp

CC: HealthSmart, TPA Air Methods Corp.

> 601 - 57th Street, SE • Suite 2 • Charleston, WV 25304-2345 An equal opportunity employer.

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Office of the Secretary of State Building 1 Suite 157-K 1900 Kanawha Blvd E. Charleston, WV 25305

Julie Ball Mercer County Courthouse 1501 Main St. Suite 111 Princeton, WV 24740

Control Number: 206302

Defendant: AIR METHODS CORPORATION 5400 D Big Tyler Road CHARLESTON, WV 25313 US Agent: C. T. Corporation System County: Mercer Civil Action: 17-C-314 Certified Number: 92148901125134100002192928 Service Date: 11/27/2017

Mac Warner Secretary of State State of West Virginia Phone: 304-558-6000

> 886-767-8683 Visit us online:

www.wvsos.com

FILED

DEC 0 4 2017

JULIE BALL CLERK CIRCUIT COURT MERCER COUNTY

I am enclosing:

1 summons and complaint

which was served on the Secretary at the State Capitol as your statutory attorney-in-fact. According to law, I have accepted service of process in the name and on behalf of your corporation.

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in the name and on behalf of your corporation as your attorney-in-fact. Please address any questions about this document directly to the court or the plaintiff's attorney, shown in the enclosed paper, **not to the Secretary of State's office**.

Sincerely,

Mac Warner

Mac Warner Secretary of State

Case 1:17-cv-04610 Document 1-1 Filed 12/22/17 Page 24 of 28 PageID #: 34

RETURN SUMMONS

IN THE CIRCUIT COURT OF MERCER COUNTY, WEST VIRGINIA

MICHAEL AND TABITHA COX, individually and on behalf of their minor child, W

Plaintiffs,

CIVIL ACTION NO. 17-C-314-DS

AIR METHODS CORPORATION AND ROCKY MOUNTAIN HOLDINGS, LLC,

Defendants.

Serve:

Air Methods Corporation CT Corporation System 5400 D Big Tyler Road Charleston, West Virginia, 25313

To the above-named Defendant:

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon Eric J. Buckner, Esq., of Katz, Kantor, Stonestreet & Buckner, PLLC, and Jason E. Causey, Plaintiffs' attorneys, whose addresses are 207 S. Walker Street, Princeton, West Virginia, 24740, and Bordas & Bordas, 1358 National Road, Wheeling, West Virginia, 26003, respectively. an answer, including any related counterclaim you may have to the complaint filed against you, and to serve your answer within thirty (30) days after service of this summons. exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred from asserting in another action any claim you may have which must be asserted by counterclaim in the above-styled civil action.

Dated: 08/18/17

JULIE BALL, Clerk of Court

By: Cuptal Wodey

Case 1:17-cv-04610 Document 1-1 Filed 12/22/17 Page 25 of 28 PageID #: 35

Office of the Secretary of State Building 1 Suite 157-K 1900 Kanawha Blvd E. Charleston, WV 25305

Julie Ball Mercer County Courthouse 1501 Main St. Suite 111 Princeton, WV 24740

Control Number: 206301

Defendant: ROCKY MOUNTAIN HOLDINGS, LIMITED LIABILITY COMPANY 5400 D Big Tyler Road CHARLESTON, WV 25313 US Agent: C. T. Corporation System County: Mercer Civil Action: 17-C-314 Certified Number: 92148901125134100002192911 Service Date: 11/27/2017

I am enclosing:

1 summons and complaint

which was served on the Secretary at the State Capitol as your statutory attorney-in-fact. According to law, I have accepted service of process in your name and on your behalf.

Please note that this office has no connection whatsoever with the enclosed documents other than to accept service of process in your name and on your behalf as your attorney-in-fact. Please address any questions about this document directly to the court or the plaintiff's attorney, shown in the enclosed paper, **not to the Secretary of State's office**.

Sincerely,

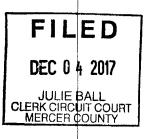
Mac Warner

Mac Warner Secretary of State



Mac Warner

Secretary of State State of West Virginia Phone: 304-558-6000 886-767-8683 Visit us online: www.wvsos.com



Case 1:17-cv-04610 Document 1-1 Filed 12/22/17 Page 26 of 28, PageID #: 36 FILED **RETURN SUMMONS DEC 0 4 2017** IN THE CIRCUIT COURT OF MERCER COUNTY, WES MERCEF MICHAEL AND TABITHA COX, individually and on behalf of their minor child, W Plaintiffs, CIVIL ACTION NO. 17-C-314 **AIR METHODS CORPORATION** AND ROCKY MOUNTAIN HOLDINGS, LLC, Defendants. Serve: **Rocky Mountain Holdings, LLC CT** Corporation System 5400 D Big Tyler Road Charleston, West Virginia, 25313 To the above-named Defendant:

IN THE NAME OF THE STATE OF WEST VIRGINIA, you are hereby summoned and required to serve upon Eric J. Buckner, Esq., of Katz, Kantor, Stonestreet & Buckner, PLLC, and Jason E. Causey, Plaintiffs' attorneys, whose addresses are 207 S. Walker Street, Princeton, West Virginia, 24740, and Bordas & Bordas, 1358 National Road, Wheeling, West Virginia, 26003, respectively, an answer, including any related counterclaim you may have to the complaint filed against you, and to serve your answer within thirty (30) days after service of this summons. exclusive of the day of service. If you fail to do so, judgment by default will be taken against you for the relief demanded in the complaint and you will be thereafter barred from asserting in another action any claim you may have which must be asserted by counterclaim in the above-styled civil action.

Dated: 18/18/17

JULIE BALL, Clerk of Court

By: Cuptal Willy

FILED

DEC 0 8 2017

JULIE BALL CLERK CIRCUIT COURT MERCER COUNTY

Civil Action Number Package Identification Code Signature Downloaded Defendant Name 17-C-314 92148901125134100002192928 12/11/2017 6:02:35 AM AIR METHODS CORPORATION

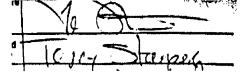


Date Produced: 12/11/2017

WEST VIRGINIA SECRETARY OF STATE:

The following is the delivery information for Certified Mail[™]/RRE item number 9214 8901 1251 3410 0002 1929 28. Our records indicate that this item was delivered on 12/04/2017 at 12:36 p.m. in CHARLESTON, WV 25313. The scanned image of the recipient information is provided below.

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Case 1:17-cv-04610 Document 1-1 Filed 12/22/17 Page 28 of 28 PageID #: 38

Civil Action Number Package Identification Code Signature Downloaded Defendant Name 17-C-314 92148901125134100002192911 12/11/2017 6:02:35 AM ROCKY MOUNTAIN HOLDINGS, LIMITED LIABILITY COMPANY



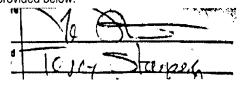
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