



Legislation Text

File #: 17-365, **Version:** 1

CITY COUNCIL AGENDA ITEM

ACTION REQUESTED:

Approve the Award of RFP 17-039, EMS and Non-EMS Billing Services, to Andres Medical Billing Ltd. for an amount of 3.1% of total dollars collected for EMS billing services and to Fire Recovery USA, LLC for an amount of 20% of total dollars collected for Non-EMS billing services and for a three-year term.

DEPARTMENT: Fire Department

SUBMITTED BY: Mark Puknaitis, Fire Chief

BOARD/COMMISSION REVIEW:

N/A

BACKGROUND:

EMS Billing Services

In 2004, the City began outsourcing billing and collection support for ambulance transport and emergency response (EMS Services) to take advantage of the most efficient and cost effective technology and processes. Using a service provider allowed access to current technology and up-to-date automated processes for filing with Medicare, Medicaid and other private insurance carriers and claims payment processing in addition to improved customer service. Use of the outsourced service provider processes also benefits the City by accelerating collection of ambulance fee revenue and increasing the collection rate.

EMS billing continues to increase as annual call volume increases. Last year, Naperville Fire Department ambulances responded to nearly 8,000 EMS incidents. More than 6,000 of those were billable calls that resulted in the transport of a patient to the hospital. The City's current contract for EMS billing services with Andres Medical Billing (Andres) ends June 30, 2017.

Non-EMS Billing Services

On October 18, 2016, City Council approved Ordinance 16-173 to institute new fees associated with Fire Department responses to motor vehicle accidents and vehicular fires (Non-EMS Services). The ordinance went into effect Jan. 1, 2017.

Since Andres already provided the City with billing services for EMS, the City reached out to Andres to see if they were willing to expand their scope of work for the remaining six months of their contract to include the new Non-EMS billing services. Andres indicated they were not equipped to provide the requested fire billing services, but had a partner, Fire Recovery USA, that provided this type of service.

With Andres unable to provide the requested services, the City would typically conduct a formal solicitation to hire a supplier to perform the services. However, because the EMS services billing contract was going to be resolicited in Spring 2017, it made most sense to delay the Non-EMS billing services RFP to solicit proposals for the EMS and Non-EMS billing services in one RFP. A concern with this approach was the Fire Department would have to wait until July 1, 2017, to begin billing for the Non-EMS Services, thus delaying the implementation of this cost recovery fee another six months.

In order to begin the cost recovery process, the Fire Department recommended and the City Manager approved a six-month pilot program with Fire Recovery USA. An additional benefit of conducting the pilot program was that it gave the City an opportunity to evaluate the similarities and differences between EMS and Non-EMS billing services so staff would be better prepared to develop the RFP specifications and ask clarifying questions during the evaluation process. The six-month Non-EMS billing pilot program revealed some unique differences in how claims are processed. Claims processing for Non-EMS Services is more time sensitive, relies on fire department personnel to acquire information needed to submit a claim, and requires many more physical actions by the billing company to receive payment on the claim.

DISCUSSION:

| | | | |
|---------------------|------------|---------------------|-----|
| Advertisement Date: | 03/17/2017 | Notices Sent: | 359 |
| Opening Date: | 04/07/2017 | Planholders: | 41 |
| | | Proposals Received: | 5 |

Proposals were received from the following firms:

- Andres Medical Billing Ltd./Fire Recovery USA, LLC
- LifeQuest Services
- Medical Reimbursement Services, LLC
- Paramedic Billing Services
- PST Services LLC (McKesson)

A selection committee consisting of City staff from the Fire Department, Finance Department and IT Department reviewed proposals. Proposals were scored based on criteria set forth in the RFP:

- Capabilities, Capacity and Qualifications of the Vendor (25%)
- Suitability and Quality of the Approach/Methodology (35%)
- Milestones and Deliverables (40%)

Three of the five proposers, Andres Medical Billing/Fire Recovery USA, LifeQuest Services and PST Services, were shortlisted and invited to attend interviews with the selection committee. Following interviews, the selection committee rescored the shortlisted firms. Based on scores, two firms were shortlisted to the Cost Proposal stage.

The final two proposer's cost proposals were then opened. Fees for this type of service are determined as a percentage of total collections. In order to evaluate costs, the fee percentages provided by each proposer were multiplied by \$3 million for EMS services and \$100,000 for Non-

EMS services to develop a total annual cost for each vendor. The total annual costs for each vendor were divided by the respective firm's qualifications score (expressed as a decimal) to yield an "adjusted cost." Results of the quality adjusted cost calculations are provided below:

| Vendor | EMS % | Non-EMS % | Calculated Annual Cost | Qualification Score | Quality Adjusted Cost |
|--|-------|-----------|------------------------|---------------------|-----------------------|
| Andres Medical Billing/Fire Recovery USA | 3.1 | 20.0 | \$113,000 | 89.7 | \$126,539.75 |
| LifeQuest Services | 3.9 | 3.9 | \$120,900 | 87.6 | \$138,013.70 |

The term of this contract is three years from July 1, 2017 through June 30, 2020, with two one-year options to extend the contract.

FISCAL IMPACT:

CIP #: N/A

Billing services for ambulance fees are expensed to the professional services account listed below. A total of \$112,000 is budgeted for the fees in CY2017.

| Account Number | Fund Description | Total Budget Amount |
|--------------------|------------------|---------------------|
| 010-2210-415.35-09 | General Fund | \$112,000 |