



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

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Roll Call

Submitted by: Merrill Stanley, Finance Director

SUBJECT—

Approving Advanced Data Processing, Inc. (ADPI) as the city's Ambulance Billing provider.

SYNOPSIS—

Approving Advanced Data Processing, Inc. (ADPI), Miami, Florida, as the city's Ambulance Billing provider. Costs related to emergency medical responses are billed to patients and insurance companies in an attempt to recoup as large a portion of those costs as possible. Due to the complex, specialized nature of this service, city staff is recommending securing the services of ADPI, a highly qualified, experienced provider.

FISCAL IMPACT-

In FY 2005, direct costs related to Emergency Medical Services are expected to be \$3,860,000, while revenues from users of the services are estimated to be \$2,919,000. The difference is subsidized by property taxes. The city would like to maximize the rate of collection to reduce the tax subsidy for these services.

RECOMMENDATION—

Approval

BACKGROUND—

On May 28, 1996, the city contracted with Team Two, Inc. to act as the city's ambulance service billing contractor. Prior to this time, city staff performed the billing. Several contract revisions have been approved since 1996, the most recent in June 2004, which extended the billing contract to September 30, 2004.

On April 19, 2004, the City Council approved the issuance of requests for proposals (RFP) to solicit additional contractors that would be able to maximize collection rates. RFP's were issued on May 20, 2004, and four responses were received. The selection committee chose to interview three of the proposers on July 22 and 23, 2004. The consensus of the selection committee was that Advanced Data Processing, Inc. (ADPI) would provide the best value to the City of Des Moines. ADPI proposed a slightly higher price for its services, but we are certain that the higher collection rate they can obtain will result in higher net revenues to the city.

ADPI is a rapidly growing company due to the quality of the services they provide. They are a 100% EMS billing company that has 160 employees serving 88 clients in 9 states. They bill 800,000 transports annually. They have 18 certified coders and 2 coding auditors, 5 in-house IT staff plus outsourcing, and have multilingual capability. References received from clients comparable to Des Moines have been excellent. Billing results from similar clients have shown collection rates in excess of 80%.

ADPI is best suited to maintain compliance with Medicare/Medicaid regulations and is able to maximize collections through:

- Use of the latest techniques in electronic claims preparation, submittal, and follow-up
- Emphasis on claim accuracy and completeness
- Claim amounts reimbursed at highest rate allowed
- Emphasis on identification of insurance coverage whenever possible
- Use of insurance billing clearinghouse
- Strategic contacts with hospitals
- Proactive EMS rate consultation

ADPI works to identify insurance coverage whenever possible, because of the near certainty of collection. This approach has the added benefit of reducing collection contacts with patients.

ADPI is not just a billing company. They are the experts in the field of EMS billing. They are best situated to maximize revenues to support the city's EMS function and their selection will signal the city's intent to follow a best business practice model for this service.