



Council Communication

Office of the City Manager

Date

September 10, 2007

Agenda Item No. 33
Roll Call No. 07-
Communication No. 07-529
Submitted by: Allen McKinley, Finance
Director/Treasurer

AGENDA HEADING:

Approving First One-Year Renewal of Contract for Medical Emergency Ambulance (Billing and Collection) Services with Team Two, Inc. (Josh Engman, President, 13001 Sunset Terrace, Clive, Iowa 50325).

SYNOPSIS:

The current contract is for three years and provides for two one-year renewal options if mutually agreeable to both parties. Team Two, Inc. has indicated a desire to renew the contract and has met the performance standards set out in the contract.

FISCAL IMPACT:

Amount: FY08 estimated contract payments are \$165,000 (5% of collected revenue).

Source: FY08 budgeted revenue estimate is \$3,300,000.

For the fiscal year ending June 30, 2007, the City collected \$3,091,000 (accruals are still being generated) with operating costs estimated at \$4.6 million. A property tax subsidy will cover the difference between operating costs and generated revenue.

ADDITIONAL INFORMATION:

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. On September 27, 2004, at the conclusion of an RFP process that was initiated by Council on April 19, 2004, Team Two, Inc. was awarded the contract to perform the billing/collection services. The contract is for three years and provides for two one-year renewal options if mutually agreeable to both parties.

The City's contract with Team Two, Inc. includes a performance measure, which is a minimum collection rate of \$270 for Revenue per Transport by Call Date computed on collections received nine, ten, and eleven months after transport and reflects a 64% to 66% net collection rate. The contractor has met the minimum performance measure since the beginning of the contract. The most current collections report reflects Revenue per Transport of \$277.69 (month 11); \$276.95 (month 10); and \$272.00 (month 9).

PREVIOUS COUNCIL ACTION(S):

Date: September 27, 2004

Roll Call Number: 04-2095

Action: Selection of Advanced Data Processing, Inc. (Miami, Florida) to provide ambulance service billing for three-year period beginning October 1, 2004 with the option of two one-year renewals. (Council Communication No. 04-481) Moved by Mahaffey to select Team Two Inc. as the service provider. Motion Carried 4-3. Nays: Brooks, Hensley and Vlassis.

Date: April 19, 2004

Roll Call Number: 04-826

Action: Issuance of Request For Proposals for Ambulance Billing services. (Council Communication No. 04-189) Moved by Vlassis to approve. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of second, and final, one-year renewal in September, 2008 pending contractor and City desire to continue under the original contract.