

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 26, 2016
	Agenda Item No.	37
	Roll Call No.	<u>16-1921</u>
	Communication No.	<u>16-537</u>
	Submitted by:	John F. TeKippe, Fire Chief, Dan Ritter, Finance Director

AGENDA HEADING:

Agreement for extension of contract for emergency medical ambulance billing and collection services.

SYNOPSIS:

This action will extend the current ambulance billing and collection services contract to June 30, 2017, and is consistent with GuideDSM Goal 1: Financially Sound City.

FISCAL IMPACT:

Amount: \$3.5 million annually in ambulance billing, with billing services fees of approximately \$165,000.

Funding Source: General Fund, FD105000, page, 106, Operating Budget

ADDITIONAL INFORMATION:

Three (3) proposals were submitted for this Request for Proposal (RFP) service in May 2016. Staff concluded it was in the best interest of the City to reject all proposals and wait until January 2017 to request proposals for EMS billing, in order to ensure selection of the most appropriate and sustainable proposal based on the most reliable information regarding the RFP performance standard (revenue per transport) contained in the RFP.

- The potential for significant policy changes to the Affordable Care Act (ACA) in the near future are likely to impact the sustainability of reimbursements and other elements associated with ACA and medical insurance in general. The information upon which proposals are derived and considered also have a direct effect on revenue received by the City.
- Following the implementation of the ACA in 2014 first open enrollment period, the City’s payer mix experienced significant changes in the reduction of private payers (26% to 13% of payers) and the increase in Medicaid payers (16% to 30% of payers). At the same time, the City experienced a continuing trend of decreases in advanced life support transports and an increase in basic life support transports, trends less likely to result in the highest reimbursements to the City.
- Additional factors related to RFP performance standard and evaluation criteria (ability to maximize collections) potentially impacted by future actions are the sustainability of subsidies for private

insurers, Medicaid eligibility standards and reimbursement rates, and whether or not there will be an impact to Medicare Advantage, the private healthcare option in Medicare.

Additional efforts are ongoing to identify and solicit an increased number of bidders, locally, regionally, and nationally.

PREVIOUS COUNCIL ACTION(S):

Date: April 25, 2016

Roll Call Number: [16-0689](#)

Action: [Extension](#) of contract with Intermedix Corporation for emergency medical ambulance billing and collection services through September 30, 2016. Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 21, 2015

Roll Call Number: [15-2134](#)

Action: [Extension](#) to contract with Intermedix Corporation for emergency medical ambulance billing and collection services. ([Council Communication No. 15-671](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The planned schedule is to issue and RFP at end of calendar year 2016 or early 2017 with selection to be finalized by spring 2017.

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