

Legislation Text

File #: BILL NO. 21-74, **Version:** 1

An Ordinance approving the award of RFP No. 2021-011 for EMS billing and cost recovery services for a three-year term, with up to two, one-year renewals, to Fire Recovery EMS, LLC, and authorizing the City Manager to execute the same by and on behalf of the City. (F&BC 4/12/21)

Background:

The City has an agreement with an emergency medical billing firm to issue invoices for ambulance transports provided by the Fire Department. The billing software integrates with the Patient Care Reporting software used by EMS crews to document details of the services provided to the patient. The details of patient care in each incident report determine the qualifying level of care provided and, thus, the ambulance fee to be billed on behalf of the patient. Approximately 50% of the EMS transports handled by our Fire Department are Medicare eligible. Another 10% are Medicaid eligible. Most of the remaining invoices are billable to private insurance or to the patient. In calendar year 2020, the City's billing provider submitted approximately 5,700 invoices for EMS services totaling over \$7 million. Actual collections were approximately \$2.8 million.

The City has used Digitech Computer, LLC to perform the billing services since 2014. The contract was originally set up through a cooperative agreement established by Johnson County, Kansas. The amount paid to Digitech during 2020 for managing the billing process was \$161,186.39 based on a 5.7% rate structure.

The City received 8 responses to the RFP. A review committee comprised of five Finance Department staff members evaluated the proposals along with consultation from the Information Technology Services group and the Fire Department. The proposed fee structures ranged from 3.75% to 5.95%. Virtual interviews were conducted with 4 of the responding firms. Following the interviews and consultation with Information Technology and the Fire Department, Fire Recovery EMS LLC was selected as the best proposal to meet our needs.

Impact/Analysis:

The amount paid for EMS billing services is based upon actual payments received against the issued invoices. For calendar year 2020, Digitech Computer LLC was paid \$161,186.39 which was 5.7% of approximately \$2.8 million in revenues collected. Based upon that same level of revenue collections, our selected vendor, Fire Recovery EMS LLC, with a rate structure of 3.95% would receive payment of \$110,600 annually, a savings of over \$50,000 annually.

Timeline:

It is anticipated that the contract would have a start date of July 1, 2021, with potential renewals extending the contract to June 30, 2026.

Proposed City Council Motion:

FIRST MOTION: I move for a second reading of an Ordinance approving the award of RFP No. 2021-011 for EMS billing and cost recovery services for a three-year term, with up to two, one-year renewals, to Fire Recovery EMS, LLC, and authorizing the City Manager to execute the same by and on behalf of the City.

SECOND MOTION: I move for adoption of an Ordinance approving the award of RFP No. 2021-011 for EMS billing and cost recovery services for a three-year term, with up to two, one-year renewals, to Fire Recovery EMS, LLC, and authorizing the City Manager to execute the same by and on behalf of the City.

Bette Wordelman

The Finance and Budget Committee voted unanimously (4-0) to recommend to City Council for approval of an Ordinance approving the award of RFP No. 2021-011 for EMS billing and cost recovery services for a three-year term, with up to two, one-year renewals, to Fire Recovery EMS, LLC, and authorizing the City Manager to execute the same by and on behalf of the City.