



CITY CONTROLLER'S OFFICE

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OCTOBER 5, 2015

TO: MR. SCOTT C. STEVENS, SECRETARY OF WARREN CITY COUNCIL
FROM: RFP-W-9148 REVIEW PANEL
SUBJECT: REVIEW PANEL RECOMMENDATION TO AWARD RFP-W-9148:
AMBULANCE FEE BILLING AND COLLECTION SERVICES

RECOMMENDATION:

The RFP-W-9148 review panel recommends that Ambulance Fee Billing and Collection Services, at the all-inclusive contingency rate fees shown below, be awarded to AccuMed Billing, Inc., 23521 Telegraph Road, Brownstown, Michigan 48193 for a five (5) year period with the option to renew for two (2) additional two (2) year periods followed by one final option to renew for one (1) additional year, and authorize the Mayor and Clerk to sign the attached agreement. Expenditures will be based on the revenues collected.

Term	Years	Rate Fee
One	1-5	5.00%
Two	6-7	5.20%
Three	8-9	5.30%
Four	10	5.20%

OVERVIEW:

The City of Warren solicited proposals for Ambulance Fee Billing and Collection Services (not bad debt collections) on April 8, 2015. Through the proposal process, the City of Warren sought to retain an efficient and effective ambulance billing service for the City of Warren. The specifications identified two (2) main goals of the city with respect to the proposed contract:

- "4.1 It is the City's objective to select a reputable firm:
- 4.1.1 That is located in, or has a local contact office in, Michigan to provide ambulance medical billing, accounts receivable functions for patient services rendered and or billing for other emergency response services.
 - 4.1.2 To provide direct electronic deposit of funds into the City's bank account.
 - 4.1.3 To provide complete, accurate and thorough financial reports to the Fire Commissioner and or other designated City officials.
 - 4.1.4 To provide guidance to the City in establishing fee structures that maximizes reimbursement of charges from insurers public and private.
 - 4.1.5 To provide the requested services subject to the Fire Commissioner and or other designated City officials having the ability to review and authorize the collection of all accounts prior to being sent to collections activity.
- 4.2 The selected firm shall comply with the privacy obligations applicable to them under the Health Insurance Portability and Accountability Act of 1996 and the regulations issued pursuant thereto, as amended, (HIPAA) to protect the privacy of Personal Health Care Information (PHI) as delivery, collected, processed or obtained."

RFP PROCESS:

On April 8, 2015, the Request for Proposals was posted on the MITN system. On Wednesday, April 29, 2015, sealed proposals were publicly opened for RFP-W-9148. Eight (8) firms responded with proposals. Their proposals are summarized on the attached tabulation form submitted for your review.

EVALUATION PROCEDURE:

The proposal responses were sent to committee members and subsequently the review committee met to evaluate the merits of each proposal.

A broad summary of the proposals that were not considered for award appears below. Of the Eight (8) respondents, those without EMS experience, without a client in Michigan, with little or no billing experience, with HIPAA breaches, or those that did not provide adequate information in their proposal were not considered for award.

Digitech Computer, Inc. - Digitech is a New York-based company with no clients in the State of Michigan. Digitech stated that they have had no HIPAA breaches in the last five years. However, within the same document, Digitech discloses a HIPAA breach that occurred within their organization. Digitech did not include the amount billed or the recovery percentage; therefore, the review panel was unable to make direct comparisons with other proposals. Therefore, they were not considered for award.

Intermedix - Intermedix is a Florida-based company with one Michigan client listed in their proposal. Intermedix did have a HIPAA breach that the RFP review panel determined was significant enough to remove Intermedix from consideration for award. Therefore, they were not considered for award.

McKesson Services, Inc. - McKesson has no Certified Coders for EMS billing. They provide in-house certifications for its employees. McKesson did not adequately indicate their average collection rate. Therefore, they were not considered for award.

Mid-Michigan Medical Billing Service, Inc. - Mid-Michigan does not have any Certified Coders for EMS billing. In addition, they have no municipal or EMS accounts. They are a small company whose current clients are doctor's offices. They could not provide a recovery rate because they do not bill for EMS agencies. Therefore, they were not considered for award.

Midwestern Audit Services, Inc. - Midwestern Audit is a collection agency and not an EMS billing agency. They were unable to indicate their average collection rate or explain what went into determining the collection rate. Therefore, they were not considered for award.

Mobile Health Resources - Mobile Health does not have any Certified Coders for EMS billing. They have a small client list and employ a small staff (9 full time and 3 part-time employees). Therefore, they were not considered for award.

Parastar - Parastar did not share its recovery rate in their proposal. In addition, Parastar was involved in a HIPAA breach of patient information. Three municipalities in Southeast Michigan switched their EMS billing and collection services vendor from Parastar to AccuMed in recent years. Therefore, they were not considered for award.

RECOMMENDATION:

After careful consideration, the RFP Review Panel is recommending that City Council award EMS Billing to **AccuMed Billing, Inc.**

Founded in 1989, AccuMed Billing, Inc. exclusively supports EMS providers and suppliers and is dedicated to providing EMS billing and collection services to over 186 clients in 6 states, including 135 municipalities in Michigan. AccuMed services many municipalities in Wayne (21), Oakland (17), and Macomb Counties (11). Some of the local Fire Departments being serviced by AccuMed include the cities of Dearborn, Dearborn Heights, West Bloomfield, Warren, and Shelby Township.

AccuMed's front-line coders and managers are Certified Ambulance Coders (CAC), having been certified through the National Association of Ambulance Coders (NAAC). This type of certification is currently the only one in the nation that relates to ambulance billing. In addition, the staff is trained in, and specializes in, specific applications (e. g. data entry, collection, payment application, rejections, training, etc.).

AccuMed Billing, Inc. recovered over \$86,000,000.00 on behalf of their clients in 2014. Since January, 2010, AccuMed has recovered over \$13,000,000.00 on behalf of the City of Warren. Since AccuMed has a large client base, they have the resources to devote staff to specialized operations such as data entry, payment application, collection, accounting, etc. Their large volume also results in familiarity with regulations. Over the years they have experienced a wide variety of insurance carriers and aberrations in billing, so they are very familiar with dealing with all of the different issues relating to billing that may arise.

Additionally, AccuMed has maintained a perfect record of full compliance with the Health Insurance Portability and Accountability Act (HIPAA) and all regulatory entities.

The City has been utilizing EMS billing and collection services through AccuMed for over five years and has been very satisfied with their work. The RFP Review Panel is recommending

award to AccuMed based on the position that AccuMed has the best combination of size, expertise with our service area, hospital relationships, billing expertise, software solutions, and HIPAA compliance to meet the needs of the City.

Funds for this service are available in the Fire Department Contractual Services Account 1336-80100.

Respectfully Submitted,



Craig Treppa
Purchasing Agent


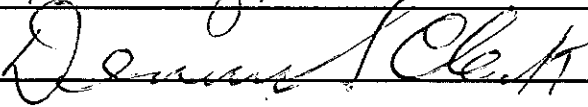
The attached contract has been prepared by the Acting City Attorney and will be finalized to incorporate the terms of the selected proposal.



Mary Michaels
Acting City Attorney

COMMITTEE MEMBERS:

- Steven G. Warner, City Council Member
- Dennis Clark, Assistant City Controller
- Wilburt McAdams, Fire Commissioner
- Mary Michaels, Acting City Attorney
- Phil Easter, Human Resources and Risk Management Director
- David Frederick, Fire Chief
- Craig Treppa, Purchasing Agent

Approved By:	Signature	Date
Budget Director:		10/5/15
<i>assist.</i> Controller:		10/5/15
MAYOR:		

SUBMITTER	RATES PROPOSED BY VENDOR. ESTIMATED REV. \$2,500,000	COMMENTS Warren's collections \$2,786,966.00 plus \$735,467.00 of write-offs of co-pays equals \$3,522,433.00 for 2014	RANK
ACCUMED	5.49% est. charges \$137,250.00	*Michigan company. No HIPPA breaches. All coders are Certified Ambulance Coders (CAC). Department has established a positive working relationship over the past 5+ years. Company provides billing services for most of the largest Fire based EMS agencies in Wayne, Oakland & Macomb Counties. \$290.01 Recovery rate. City wrote off \$735,467.00 of billable for residents and business owners, which affected recovery rate. Recovery rate rises to \$362.00 by adding in write-offs. Recovery rate = 63%.	1
ADPI CORPORATE INTERMEDIX	5.2% est. charge \$130,000.00	*Florida company with Warren office. 1 Michigan client. HIPPA breach last year. Seven (7) of 50 EMS billing coders have (CAC) certification. Recovery rate 60%. Recovery rates directly impacted by region served. I.E.; South, East & West Coast reimbursement rates higher than Midwest reimbursement rate.	4
DIGITECH COMPUTER INC	3.35% est. charge \$83,750.00	*New York company. No Michigan clients. HIPPA breach (minor). Question 8.1.3 company answered question, "no". Will not bill for other potential billable services, such as haz-mat, tech rescue, or extrications which we may bill for in the future. Recovery rate is \$371.00/incident, however, company did not disclose amount billed and recovery percentage, therefore, unable to make direct comparisons with other proposals. Recovery rates directly impacted by region i.e.; East Coast different from Midwest.	2
MCKESSON-PST SERVICES, INC	4.2% est. charge \$105,000.00	*Georgia company. No Certified Coders for EMS billing. Internal certification for employees. Licensed in the State of Michigan as a foreign profit organization. Did not answer question 8.5.19 regarding recovery rate. Provided range of \$220 to over \$300 for departments with similar demographics to Warren.	3
MID MICHIGAN MEDICAL BILLING SERVICE	5.0% est. charge \$125,000.00	*Michigan company. No Certified Coders for EMS billing. No municipal or private EMS accounts. Current clients are doctors office. Small company. Did not answer 2 questions. No recovery rate because do not bill for EMS agencies (Doctors Offices).	7

MIDWESTERN AUDIT	5.0% est. charge 125,000.00	*Michigan company. Collection Agency. Not an EMS Billing Agency. Did not answer question 8.5.19 regarding recovery rate.	8
MOBILE HEALTH RESOURCES	6.0% est. charge 150,000.00	*Michigan company. No Certified Coders for EMS billing. Company's client list are small. Small staff of 11 employees. Recovery rate 60.8% or \$2,142,223.00.	5
PARASTAR	5.0% est. charge 125,000.00	*Michigan company. A HIPPA breach of patient information within the last five years. Non-compliance insurance requirements. Did not answer question 8.5.19 regarding recovery rate.	6

RESOLUTION

Document No: RFP-W-9148

Product or Service: Ambulance Fee Billing and Collection Services

Requesting Department: Fire

At a Regular Meeting of the City Council of the City of Warren, County of Macomb, Michigan, held on _____, 2015 at 7 p.m. Eastern Daylight Saving Time, in the Council Chamber at the Warren Community Center Auditorium, 5460 Arden, Warren, Michigan.

PRESENT: Councilmembers: _____

ABSENT: Councilmembers: _____

The following preamble and resolution were offered by Councilmember _____ and supported by Councilmember _____.

The Fire Department sought a qualified vendor to furnish Ambulance Fee Billing and Collection Services for the City.

On Wednesday, April 29, 2015, sealed Requests For Proposals were publicly opened for RFP-W-9148. The RFP document required the firms to provide qualification and pricing information pertaining to furnishing ambulance fee billing and collection services.

Eight proposals were received and sent to the review panel members and, subsequently, the review panel met to evaluate the merits of each proposal.

The review panel determined that the proposal submitted by AccuMed Billing, Inc., 23521 Telegraph Road, Brownstown, Michigan 48193 best met the City's vision for furnishing ambulance fee billing and collection services.

IT IS RESOLVED, that AccuMed Billing, Inc. is hereby awarded ambulance fee billing and collection services, per the executed contract and proposal document (RFP-W-9148), for a period of five years with the option to renew for two additional two-year periods followed by the option to renew for one additional year (total of a possible ten years). The award shall commence upon City Council approval and the date that the contract is executed.

Funds are available in the Fire Department Contractual Services Account: 1336-80100.

IT IS FURTHER RESOLVED, that the Purchasing Agent and/or Mayor and City Clerk are authorized to execute any such documents that are necessary for this approval consistent with the terms of the:

- Proposal Documents
- Contract
- Resolution

and in such form that meets with the satisfaction of the City Attorney if review is required.

AYES: Councilmembers: _____

NAYS: Councilmembers: _____

RESOLUTION DECLARED ADOPTED this _____ day of _____, 2015.

SCOTT C. STEVENS
Secretary of the Council
Mayor Pro Tem

