



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
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[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2019-0218

**TO:** Mayor and City Council Members  
**FROM:** Sean Canto, Fire Chief/Emergency Services Director  
**DATE:** May 20, 2019  
**SUBJECT:** Emergency Medical Services Billing

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**REQUEST:**

City Council is requested to authorize the approval of a five (5) year contract for emergency medical billing services to The AccuMed Group, Riverview, Michigan in the amount not-to-exceed \$619,000 through May 1, 2024 and further authorizes the Mayor to execute a contract on behalf of the City.

City Council is requested to waive Section 2-273(b) the 3-year requirement for long term contracts, under Section 2-281, which allows City Council the authority to waive any regulation or procedure pertaining to purchasing, deeming it to be in the best interest of the City to allow a 5-year contract.

**REASON FOR PURCHASE:**

The City of Rochester Hills Fire Department responded to approximately 5,554 medical incidents in 2018. The City utilizes a billing agency to process the claims collected for these transports. The process begins at the run level with an ePCR (Electronic Patient Care Report). This data collection is vital to accurate billing and follows the patient to the hospital. Once the data is collected and electronically transferred, the billing agency manages each claim through payment. For this service the billing agency retains a contract percentage of each collected payment.

It is the Fire Departments number one priority to provide quality patient care. They also endeavor to provide excellent customer service for each patient during and after transport. It is imperative that the City partner with a company that utilizes best practices with regard to data collection, customer service, cash handling and training. All receivables management must meet or exceed guidelines set forth in the Health Insurance Portability Accountability Act, which dictates appropriate practices in the patient information industry.

Request for Proposals were advertised through the MITN e-procurement site and publicly opened by the City of Warren for Ambulance Fee Collection Services. A contract was awarded to The AccuMed Group. The awarded contract is offered to the City as part of the MITN Cooperative group. Participating in a cooperative purchase provides cost savings for the City due to the buying power of the cooperative.

The City is currently utilizing The AccuMed Group for billing services and has been extremely satisfied with their commitment to customer service, their claims management process and cash handling procedures. Currently, the City is paying 6% of each claim to The AccuMed Group for a collection fee (which currently includes the patient care software costs). Extending the City of Warren agreement will lower the fee to 5% (with escalation after 5 years). This fee will not include the patient care software costs. The City proposes to pay the patient care software company, ESO directly, which will not only save the City additional money, but will assist in helping the City deal with software licensing and monitoring agreements.

Most communities throughout the Tri-County area are utilizing The AccuMed Group, with ESO as the ePCR. Based on a recent informal survey done by the Fire Department it was found that The AccuMed Group, and ESO are used by approximately fifty (50) agencies. Additionally, one (1) of our primary hospitals (Ascension Providence Rochester Hospital- Crittenton) is beginning to utilize ESO Reporting, which makes the transfers of patient information seamless.

Funding for ESO ePCR software will be provided in the Fire Department Operating Budget. Cost for this upcoming contract year will be \$7,561.00. The cost is not expected to exceed an increase over 3% each year. The cost provided has remained firm for the past several years.

The City of Warren agreement is a five (5) year initial term at 5% with extensions offered for years six (6) and seven (7) at 5.2%, years eight (8) and (9) at 5.3% and a final year ten (10) at 5.2%, staff at this time is recommending approval for only the initial five (5) year term, with the intent of evaluating market options after this initial term and will determine if it's in the City's best interest to exercise those renewal terms and will bring a recommendation forward to City Council at that time.

**PROCESS:**

**Vendor Name and Address:**

The AccuMed Group  
 PO Box 2122  
 Riverview, MI 48193

**Reason for Selection:**

Best Value/Cooperative Agreement

**Method of Purchase:**

Blanket Purchase Order/Contract

**BUDGET:**

Funding is included in the FY 2019 Adopted Budget and the FY 2020 and 2021 Projected Budgets. FY 2022-2024 are estimated based on past trends

| Fund Name | Department Account No | Account No. Description | Budget Amount | Cost      | Remaining Budget |
|-----------|-----------------------|-------------------------|---------------|-----------|------------------|
| Fire      | 339.801000            | Professional Services   | \$619,000     | \$619,000 | \$0              |
|           |                       |                         |               |           |                  |
|           |                       |                         |               |           |                  |

**RECOMMENDATION:**

It is recommended that City Council authorize the approval of a five (5) year contract for emergency medical billing services to The AccuMed Group, Riverview, Michigan in the amount not-to-exceed \$619,000 through May 1, 2024 and further authorizes the Mayor to execute a contract on behalf of the City.

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| APPROVALS:                                       | SIGNATURE  | DATE       |
|--|--|------------|
| Department Review                                |  | 05/06/2019 |
| Department Director                              |  | 05/06/2019 |
| Budget Content:<br>Chief Financial Officer       |  |            |
| Purchasing Process:<br>Supervisor of Procurement |  |            |
| Mayor  |  |            |
| Deputy Clerk                                     |  |            |

Contract Reviewed by City Attorney     Yes     N/A