



Legislation Text

File #: 63073, **Version:** 1

Fiscal Note

The proposed resolution authorizes the execution of an amendment to the contract with Andres Medical Billing, Ltd. for ambulance billing services and consulting. The amendment reduces pricing for two years and increases the term of the contract.

The original contract with the vendor covered a five year term through December 31, 2022, with payments to the vendor calculated on 3.95% of net revenues received each year. City staff have negotiated an amended fee schedule to reduce the City's payment to a percentage of net revenues received of 3.25% in 2021 and 3.60% in 2022 and to add three years to the contract at 3.95% of net revenues received in 2023, 4.30% in 2024, and 4.65% in 2025.

The 2021 Adopted Operating Budget includes \$9.2 million in ambulance fee revenues. Under the original contract, the estimated payment to the vendor would be \$363,400. Under the new terms, the estimated payment is \$299,000 or a savings of \$64,400.

Title

A Resolution authorizing the Finance Director's Designee to execute an amendment to modify the cost to reduce pricing for two years and increase the term of a competitively selected service contract with Andres Medical Billing, Ltd. for ambulance billing services and consulting.

Body

Introduced by title only at the 11/17/20 Common Council meeting.

WHEREAS, the City executed a five-year, competitively selected purchase of services contract with Andres Medical Billing, Ltd. in 2017 for ambulance billing services and consulting and that contract will expire on December 31, 2022; and

WHEREAS, Annual payments to the vendor are calculated based on a percentage of net revenues received; and

WHEREAS, the percentage agreed upon in the original contract was 3.95% for the life of the contract; and

WHEREAS, the City wishes to reduce the cost of this service in order to address City budget shortfalls in 2021 and 2022; and

WHEREAS, City staff have negotiated an amended fee schedule with the vendor to reduce the City's payment of percentage of net revenues received to 3.25% in 2021 and 3.60% in 2022; and

WHEREAS, the vendor requested as part of the negotiation an additional three years be added to the contract at 3.95% of net revenues received in 2023, 4.30% in 2024, and 4.65% in 2025; and

WHEREAS, under MGO 4.26(3)(e), service contracts of more than 5 years in duration require approval of the Common Council and with this amendment the contract will be an 8 year contract;

NOW THEREFORE, BE IT RESOLVED, the Finance Director's Designee is authorized to execute an

amendment to the Contract between the City of Madison and Andres Medical Billing, Ltd. reduce the pricing for 2021 and 2022 and extend the term of that contract through 2025, at the prices shown above.