



## Legislation Text

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**File #:** 26313, **Version:** 1

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### **Fiscal Note**

The ambulance fee produces \$5.2 million in annual gross revenue to the general fund. In response to antiquated software systems and increasingly complex federal health care regulations, the 2012 adopted budget directed that a study team review the ambulance billing system for possible changes. Based on that review, this resolution seeks authorization to issue a request for proposal to contract with a third-party provider for ambulance billing services. It is anticipated that this approach will result in a net \$1 million to \$2.2 million increase in ambulance fee revenues to the City over the next ten years due to economies of scale, greater expertise and more rapid billing software upgrades.

### **Title**

Accepting the ambulance billing study report and authorizing the issuance of a request for proposal to contract ambulance billing with a third-party provider.

### **Body**

The 2012 Operating Budget created a study group to determine the most efficient and effective means of ambulance billing in response to federal cost reporting and reimbursement requirements. The study group included representatives from the Finance, Information Technology, and Fire Departments, with assistance from Organizational Development and Training staff. The full report, including an Executive Summary, is attached to this resolution.

WHEREAS, the current ambulance billing system software has become increasingly antiquated and cannot be adequately configured to address new reporting requirements and regulations promulgated by state and federal agencies; and

WHEREAS, health care data reporting requirements have also become increasingly complex over the last several years and require a greater level of expertise by staff; and

WHEREAS, the level of complexity and pace of change, along with potential financial and legal liability from non-compliance, requires a greater level of continuous training and expertise than currently available and would necessitate adding a new professional level position to the Finance Department; and

WHEREAS, due to this complexity and recognition that health care billing is not a core business activity of municipal government, many communities are using third parties to provide billing services; and

WHEREAS, third-party providers are experts in this field, leading to greater efficiency and capability to regularly update their software to ensure federal and state regulation compliance; and

WHEREAS, using a third-party provider would be similar to the City's current contract for Worker's Compensation, which was administered in-house in the past; and

WHEREAS, using a third-party billing service would lead to greater revenues for the City; and

WHEREAS, the Fire Department will be purchasing new software for the patient care reporting component of the system with grant funding; and

WHEREAS, an interface will be necessary between the patient care report and the billing software;

NOW, THEREFORE, BE IT RESOLVED, that the City contract with a third-party provider for ambulance billing, effective January 2013; and

BE IT FURTHER RESOLVED, that the Finance Department is authorized to issue a request for proposals for a third-party provider for ambulance billing, and City staff is authorized to select the provider in accordance with City purchasing rules and procedures.