



City of Rialto

Legislation Text

File #: 18-518, **Version:** 1

For City Council Meeting [June 12, 2018]

TO: Honorable Mayor and City Council

APPROVAL: Robb R. Steel, Interim City Administrator

FROM: Sean Grayson, Fire Chief

Request City Council to Approve a One (1) Year Contract with Wittman Enterprises LLC for Ambulance Billing and related Professional Services in the amount not to exceed \$100,000 per year and Authorize Issuance of a Purchase Order in the amount of \$50,000 for Fiscal Year 2017-2018 and \$100,000 Fiscal Year 2018-19.

(ACTION)

BACKGROUND:

In April of 2018, the Fire Department received a letter from its current ambulance billing provider, the Novato Fire Protection District, indicating they would be discontinuing ambulance billing services effective July 1, 2018. To maintain timely billing for ambulance services, the Fire Department sought vendors that could provide required ambulance billing services and accomplish a transition of services under the provided deadline. Wittman Enterprises LLC can assume ambulance billing services for the City prior to the service deadline from the Novato Fire Protection District. These services can be provided under a one-year contract during which time the City will place Ambulance Billing services out to bid in order to issue a long-term contract that is most financially advantageous to the City.

ANALYSIS/DISCUSSION:

Billing for Emergency Medical Services (EMS) including ambulance transportation is a specialized field requiring complex methodology and integration with federal, state and local regulatory bodies. While the Fire Department compiles reports to ensure they are ready for billing, it is less expensive to contract the actual billing and collection services to a third party than to provide the services with Fire Department staff.

In 2016, the Fire Department conducted an assessment of the current and future needs for EMS billing and collection services. Billing and collection history and methodologies, electronic data collection and reporting, timeliness of collections, familiarity with Federal, State, and private insurance policies, and customer service dimensions were assessed. In addition to traditional ambulance transportation billing the City also participates in two specialty programs, Intergovernmental Transfer (IGT) and Ground Emergency Medical Transportation (GEMT) that include the potential for an additional \$1.5 million dollars in revenue annually. Wittman Enterprises LLC has experience in all of the identified areas with similar size fire departments in California.

Additionally, Wittman Enterprises LLC will evaluate all ambulance billing for services provided from

January 1, 2018 to current and provide rebilling services where billing has not generated revenue. The rate charged by Wittman Enterprises LLC will be 6% of collected revenue. Based on current billing and retroactive activity it is anticipated that the cost of ambulance billing services for FY17-18 could be up to \$50,000. This amount will be transferred from the funds currently allocated by purchase order to Novato Fire Protection District such that no new funds are requested for the transition.

ENVIRONMENTAL IMPACT:

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. By definition, a Project does not include: The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment according to Section 15378 (b)(4) of the CEQA Guidelines.

GENERAL PLAN CONSISTENCY:

5-3.1 Provide for fire personnel, equipment, and fire stations to have adequate and appropriate resources to meet the needs and serve all of Rialto.

LEGAL REVIEW:

The City Attorney has reviewed and approved this staff report

FINANCIAL IMPACT:

Operating Budget Impact

The fees paid to Wittman Enterprises LLC for billing and collection services are 6% of the billing revenues they collect on behalf of the City. The fee amount is a budgeted expenditure and available in General Fund Account number 010-500-5175-2011.

Capital Improvement Budget Impact

No immediate impact to current capital improvement budget

Licensing

A business license application and payment of a Business License tax at the Service rate in the amount \$98.00 plus the administration fee and state fee will be paid by the vendor prior to execution of the Professional Service Agreement/Purchase Order/Construction Contract.

RECOMMENDATION:

Staff recommends that the City Council:

- Approve a One (1) Year Contract with Wittman Enterprises LLC for Ambulance Billing and related Professional Services in the amount not to exceed \$100,000 per year.
- Authorize Issuance of a Purchase Order in the amount of \$50,000 for Fiscal Year 2017-2018 and \$100,000 fiscal year 2018/2019.