



Office of the City Manager

CONSENT CALENDAR
January 30, 2018

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: David Brannigan, Interim Fire Chief

Subject: Contract No. 8949C Amendment: Intermedix for Ambulance Billing Services

RECOMMENDATION

Adopt a Resolution authorizing the City Manager to amend Contract No. 8949C with Intermedix, extending the contract from March 31, 2018 to June 30, 2018 and increasing the contract amount by \$189,000, for a total amended amount not to exceed \$1,389,000, to provide ambulance billing services.

FISCAL IMPACTS OF RECOMMENDATION

The amendment will add \$189,000 to cover the billing service fees for FY2018 up to June 30, 2018. \$136,489 is allocated in FY18 in 010-6405-420-3038. An additional \$52,511 will be appropriated as part of the Second Amendment to the FY 2018 Annual Appropriations Ordinance. The increase in billing service fees will be offset by the anticipated increase in ambulance billing/collection.

CURRENT SITUATION AND ITS EFFECTS

On February 28, 2012, the City Council adopted Resolution No. 65,605 authorizing the City Manager to execute a contract with Intermedix to provide specialized billing and collection services for the City's ambulance programs. The contract provides for payments of 4.75% of the revenue collected and an additional 2.3% of credit card collection, for a total of \$400,000 for a two-year contract term from April 1, 2012 to March 31, 2014, with the options to extend for four additional years in two-year increments. The last contract amendment (Contract No. 8949C) extended the contract to March 31, 2018 for a total amended amount not to exceed \$1,200,000.

BACKGROUND

The Berkeley Fire Department provides ambulance transport services to the Berkeley community for a fee, and has contracted for specialized ambulance billing services since 1987. The ambulance billing contractor bills the patients' insurance carriers

and/or the patients for the transport services. Payments are made directly to the City. The billing service fees are billed to the City based on the billing/collection for the month. The existing contract projected a biennial billing service fee of \$400,000, or a total of \$1,2000,000 over a six-years contract term. For billing services rendered between April 2012 to September 2017, due to continuous increases in emergency medical calls and increased usage of credit card services, the City had paid a total of \$1,132,477, a biennial average of \$411,810. It exceeded the original projection of \$400,000. On March 3, 2017, the Alameda County amended the City's ambulance user fee from \$1,895 to \$2,054, an increase of over eight percent. In addition, the City put a fourth ambulance in full operation effective July 1, 2017. On May 16, 2017, the City Council approved a "First Responder Fee" of \$300 charged to patients transported by emergency ambulances. The combination of these factors will further drive up ambulance billing/collection, resulting in higher billing service fees.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Ambulance billing is necessary to provide revenues to the City of Berkeley. Due to the anticipated increase in ambulance billing/collection, the contract amount for the billing services needs to be adjusted accordingly. The existing contract will expire in March 31, 2018. Extending the contract to June 30, 2018 gives additional time for staff to solicit a new contract.

ALTERNATIVE ACTIONS CONSIDERED

None. The ambulance billing services is provided by Intermedix. The billing service fee increases as the ambulance billing/collection increases.

CONTACT PERSON

Dave Brannigan, Interim Fire Chief, (510) 981-3473

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

CONTRACT NO. 8949C AMENDMENT: INTERMEDIX FOR AMBULANCE BILLING SERVICES

WHEREAS, Intermedix provides specialized billing and collection services for the City's ambulance programs. The contract with Intermedix provides for payments of 4.75% of revenues collected and an additional 2.3% of credit card collection, for a total of \$1,200,000 over a six-year contract term or \$400,000 for a two-year contract term; and

WHEREAS, for billing services rendered between April 2012 to September 2017, due to the increase in emergency medical calls and increased usage of credit card services, the City had paid \$1,132,477, a biennial average of \$411,810. It exceeded the original biennial projection of \$400,000; and

WHEREAS, with the continuous increase in emergency medical calls, with the over eight percent increase in the Ambulance User Fee, with the fourth ambulance in full operation, and with the new "First responder Fee" charged to patients approved by the City Council on May 16, 2017, and with the contract extension from March 31, 2018 to June 30, 2018, the billing service fees are expected be \$189,000 higher than the original contract amount of \$1,200,000; and

WHEREAS, additional fund in the amount of \$136,489 is available in the FY 2018 General Fund (budget code 010-6405-420-3038). An additional \$52,511 will be appropriated as part of the Second Amendment to the FY 2018 Annual Appropriations Ordinance.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the City Manager is authorized to execute an amendment to Contract No. 8949C with Intermedix to extend the contract to June 30, 2018 and increase the contract amount by \$189,000 for a total amended amount not to exceed \$1,389,000.

