

ACTION FORM BRYAN CITY COUNCIL

DATE OF COUNCIL MEETING: October 14, 2014		DATE SUBMITTED: September 29, 2014																																																																																	
DEPARTMENT OF ORIGIN: Fiscal Services		SUBMITTED BY: Joe Hegwood																																																																																	
MEETING TYPE:	CLASSIFICATION:	ORDINANCE:	STRATEGIC INITIATIVE:																																																																																
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<input type="checkbox"/> SPECIAL	<input checked="" type="checkbox"/> CONSENT	<input type="checkbox"/> 2ND READING	<input checked="" type="checkbox"/> SERVICE																																																																																
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AGENDA ITEM DESCRIPTION: Consider approving a one year extension of the 2011 agreement with Digitech Computer, Inc., for the billing of emergency medical services. The contract will be for a period of December 1, 2014, through November 30, 2015, and will be for a not to exceed amount of \$120,000 (using Digitech's service fee of 5.25% of total estimated amounts collected).																																																																																			
SUMMARY STATEMENT: In August 2011, the City of Bryan issued a Request for Proposals (RFP) for "Ambulance Billing Services." Proposals were received from fourteen (14) firms and were evaluated by members of the Finance and Fire Departments.																																																																																			
In November 2011, the City Council approved a two (2) year agreement with Digitech Computer, Inc., to provide billing of emergency medical services. This agreement also provided for a maximum of three (3) one (1) year extensions. Digitech has agreed to continue providing billing services to the City of Bryan under the same terms, conditions, and provisions as those contained in the original 2011 contract for a period of one (1) additional year pending approval by City Council. If approved, this extension will be effective December 1, 2014 through November 30, 2015.																																																																																			
If approved, this will be the second of three (3) possible one (1) year extensions.																																																																																			
STAFF ANALYSIS AND RECOMMENDATION: Staff has been satisfied with the performance of Digitech Computer, Inc., which is a qualified and experienced firm. Collection percentages have increased under the Digitech (58.73 % avg. net collection as compared to 48.79%) contract when compared to previous contracts. (See chart below.)																																																																																			
<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr style="background-color: #f4a460;"> <th>Billing Co.</th> <th>Fiscal Year</th> <th>Total Billed</th> <th>Medicare/Medicaid Unallowable Cost</th> <th>Net Billed</th> <th>Total Collected</th> <th>% Collected (Net)</th> </tr> </thead> <tbody> <tr> <td>NRS</td> <td>2006</td> <td>\$ 2,211,272</td> <td>\$ 343,396</td> <td>\$ 1,867,876</td> <td>\$ 889,910</td> <td>47.64%</td> </tr> <tr> <td>NRS</td> <td>2007</td> <td>2,407,917</td> <td>514,460</td> <td>1,893,457</td> <td>1,005,323</td> <td>53.09%</td> </tr> <tr> <td>NRS</td> <td>2008</td> <td>3,552,465</td> <td>686,592</td> <td>2,865,873</td> <td>1,236,528</td> <td>43.15%</td> </tr> <tr> <td>NRS</td> <td>2009</td> <td>3,892,780</td> <td>887,572</td> <td>3,005,208</td> <td>1,198,440</td> <td>39.88%</td> </tr> <tr> <td>MCS</td> <td>2010</td> <td>3,623,950</td> <td>861,373</td> <td>2,762,577</td> <td>1,673,451</td> <td>60.58%</td> </tr> <tr> <td>MCS</td> <td>2011</td> <td>3,939,026</td> <td>793,815</td> <td>3,145,211</td> <td>1,532,791</td> <td>48.73%</td> </tr> <tr> <td>MCS</td> <td>2012</td> <td>1,035,071</td> <td>346,626</td> <td>688,445</td> <td>333,534</td> <td>48.45%</td> </tr> <tr> <td>DIGITECH</td> <td>2012</td> <td>3,265,172</td> <td>931,303</td> <td>2,333,869</td> <td>1,434,484</td> <td>61.46%</td> </tr> <tr> <td>DIGITECH</td> <td>2013</td> <td>5,131,993</td> <td>1,869,504</td> <td>3,262,489</td> <td>1,839,819</td> <td>56.39%</td> </tr> <tr> <td>DIGITECH</td> <td>2014</td> <td>5,327,664</td> <td>1,940,599</td> <td>3,387,065</td> <td>2,077,789</td> <td>61.34%</td> </tr> </tbody> </table>							Billing Co.	Fiscal Year	Total Billed	Medicare/Medicaid Unallowable Cost	Net Billed	Total Collected	% Collected (Net)	NRS	2006	\$ 2,211,272	\$ 343,396	\$ 1,867,876	\$ 889,910	47.64%	NRS	2007	2,407,917	514,460	1,893,457	1,005,323	53.09%	NRS	2008	3,552,465	686,592	2,865,873	1,236,528	43.15%	NRS	2009	3,892,780	887,572	3,005,208	1,198,440	39.88%	MCS	2010	3,623,950	861,373	2,762,577	1,673,451	60.58%	MCS	2011	3,939,026	793,815	3,145,211	1,532,791	48.73%	MCS	2012	1,035,071	346,626	688,445	333,534	48.45%	DIGITECH	2012	3,265,172	931,303	2,333,869	1,434,484	61.46%	DIGITECH	2013	5,131,993	1,869,504	3,262,489	1,839,819	56.39%	DIGITECH	2014	5,327,664	1,940,599	3,387,065	2,077,789	61.34%
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Outsourcing ambulance billing allows the City to maintain a smaller staff and avoid training and software costs in a highly specialized field. Additionally, outsourcing provides the City with access to experts in the field of medical billing.

Staff recommends approving the agreement with Digitech. Digitech has already agreed to the extension based on the terms of the original contract.

OPTIONS (In Suggested Order of Staff Preference):

1. Approve the one (1) year extension of this agreement
2. Do not approve the extension and require staff to issue a Request for Proposal (RFP) for emergency medical billing services.
3. Do not approve the extension and provide additional direction to staff.

ATTACHMENTS:

1. Extension Letter signed by Digitech Computer, Inc. (pdf file)
2. Signed Agreement letter from Digitech Computer, Inc. is available for viewing in the City Secretary's office.
3. Original contract available for viewing in City Secretary's office.

FUNDING SOURCE: General Fund – Fiscal Services Operating Budget

APPROVALS: Hugh R. Walker, 09/30/2014

APPROVED FOR SUBMITTAL: CITY MANAGER

APPROVED FOR SUBMITTAL: CITY ATTORNEY Janis K. Hampton, 09-30-2014