CITY OF BRYAN
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ACTION FORM
BRYAN CITY COUNCIL

Meeting Date (?) 11/08/2016

Subject Matter* (?) Contract for Ambulance Billing Vendor
This must match rolling agenda entry

Department of Origin* FINANCE

Submitted By* Will Smith

Type of Meeting* ○ BCD ○ Special ◉ Regular

Classification* ○ Public Hearing ◉ Consent ○ Statutory ○ Regular

Ordinance* ◉ None ○ First Read ○ Second Read ○ First & Only Read

Strategic Initiative* ☑ Public Safety ☐ Service ☐ Economic Development ☐ Infrastructure ☐ Quality of Life

Agenda Item Description* Consider approving a two (2) year contract for the billing of Emergency Medical Services (ambulance billing services) with Digitech Computer, Inc ("Digitech") for a not to exceed amount of $250,000 for the initial two (2) year term of the contract. Digitech's fee for this service will be 4.95% (previous contract fee was 5.25%) of net revenue collected. The initial term of this contract will run from December 1, 2016 through November 30, 2018. Three (3) additional one (1) year renewal options are included in the provisions of the Request for Proposals ("RFP").

Summary Statement* On August 19, 2016, the City of Bryan issued a Request for Proposals (RFP) for Ambulance Billing Services. Ambulance billing services includes billing all fees as set by the City for use of its ambulance service. The service provider will bill the patient, the patient's insurance provider or Medicare/Medicaid as appropriate, and will coordinate payments and reporting. The provider also will manage the City's ambulance payment hardship program.

The City of Bryan received thirteen (13) responses to the RFP. They are listed in the attached "Bid Form – RFP 16-053".

Staff members from Fiscal Services and the Fire Department reviewed the proposals and ranked them based on the following criteria:
- 20% - Qualifications and Experience
- 30% - Rates and Expenses
- 30% - Procedures, Reporting, and Software Capabilities
- 20% - References

The firms quoted rates ranging from 4.5% to 7% of net revenue collected. Staff evaluated all vendors based on Rates and Expenses and further evaluated the six (6) lowest bidders based on all criteria. Based on fee alone, seven (7) vendors were mathematically eliminated when compared with the other six (6) vendors.

Staff Analysis & Recommendation*

Based on the extensive evaluation of the responses to the RFP as well as reference checks performed for the six (6) lowest bidders, staff believes that Digitech Computer, Inc. provides the best value to the City of Bryan for ambulance billing services. This determination was based on many different aspects of Digitech's performance.

Digitech has performed this vital service for the City of Bryan for the past five (5) years. They have consistently provided a proactive approach to short paid accounts, working with the City to provide different billing and payment options, and also provided administration of the City Council's Hardship Program, free of charge.

Digitech is a leader in the industry with proprietary software (designed, updated, and maintained in house) and policies and procedures that consistently allow the City to maximize revenue collection for ambulance services. Further, Digitech's customer service to City staff, as well as citizens and patients, is exemplary. Digitech has proactively helped the City design a payment plan program as well as redesigned the City's invoices to be more transparent and useful for the patients, all without charging the City. Staff recommends awarding the contract to Digitech.

Reporting functions of Digitech are adequate to meet all of the City's needs. Digitech has created custom reporting features available to the City for a variety of functions and has updated those reports frequently at no charge to the City. In FY 2015 and FY 2016 the City of Bryan participated in the Texas Ambulance Supplemental Payment Program. The application of this program requires extensive data to be provided to the State administrator of the program. Digitech spent many hours compiling this data and creating custom reports in order for the City to submit the application. The City was able to qualify for funding through this program in FY 2015 and FY 2016 in large part due to the efforts of the Digitech staff. This service was provided Digitech without additional charge to the City.

Previous annual costs of Ambulance Billing under Digitech have been:
FY16 $115,018 (YTD)
FY15 $113,233
FY14 $101,721
FY13 $89,096

Options*

(In Suggested Order of Staff Preference)

1. Award the contract to Digitech at a rate of 4.95% of net revenue

2. Do not award the contract to Digitech (which could result in consideration at a future City Council meeting)

3. Provide further direction to staff

Funding Source*

Funding for this contract is included in the Fiscal Services department of the General Fund for FY 2017.

Attachments

Bid Form - RFP 16-053.pdf	7.38KB
Bryan contract signed by Digitech.pdf	1.36MB

Please detail attachments and note attachments available for viewing in City Secretary's Office:

1. Evaluation of Proposals (RFP 16-053)
2. Contract for Ambulance Billing Services and Business Associate Addendum - executed by Digitech
3. Original RFP and copies of the responses are available for viewing in the City Secretary's office

Dept. Head Signature

JOE HEGWOOD

Deputy City Manager Signature

Hugh R. Walker

City Manager Signature

City Attorney Signature

Janis K. Hampton