

Mayor and Council Communication

DATE: 12/10/24

M&C FILE NUMBER: M&C 24-1061

LOG NAME: 13P EMS BILLING AND RELATED SERVICES JF FMS

SUBJECT

(ALL) Authorize Professional Services Agreement with EMS Management & Consulting, Inc. for Emergency Medical Service Billing and Collection Services for the Financial Management Services Department for the Collection of Revenue Generated from the City's Provision of Ambulance and Paramedic Services

RECOMMENDATION:

It is recommended that the City Council authorize the City Manager to execute a Professional Services Agreement with EMS Management & Consulting, Inc. for emergency medical service billing and collection services for the Financial Management Services Department for the collection of revenue generated from the City's provision of ambulance and paramedic services.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to take actions associated with engaging EMS Management & Consulting, Inc. (EMS/MC) to provide the City with billing and related services for emergency medical services.

On May 21, 2024, City Council approved Resolution No. 5956-05-2024 authorizing the dissolution of Metropolitan Area EMS Authority dba MedStar and for the City to create its own ambulance and paramedic services (EMS services) that will service the City of Fort Worth and entities that wish to contract with the City. The City is currently projected to cease using MedStar and begin providing EMS services on July 1, 2025.

A critical piece of supporting the EMS program is managing the billing and revenue collection for each patient encounter in compliance with all federal and state laws, regulations, and local ordinances and policies. The billing process for EMS services is complex due to the varying requirements for third-party payors, coding requirements for the various types of services required and rendered, and the difficulty in gathering complete data sets necessary for billing. To deal with these complications, EMS service providers typically use dedicated billing and collection agencies that specialize in this area of billing. Each jurisdiction's payor mix varies based on the user population and the types of insurances or coverages that are common for that area; having continuity with an entity that is familiar with Fort Worth's and the surrounding area's payor mixes is important to ensure a smooth transition for customers and to minimize collection losses.

Accordingly, the City has determined that contracting with Medstar's incumbent provider for these services is advantageous to the City to ensure that revenue collection begins and continues without significant interruption and that customer services are not impacted as services transition to the City.

Among the criteria staff relied on in making its recommendation are the following:

1. MedStar has used EMS/MC since 2021 for its billing and collection work and is satisfied with their work;
2. EMS/MC is well-known in its field for these services and currently provides these services to many entities across the country;
3. EMS/MC is familiar with the points of contact at surrounding entities and will be able to assist when questions arise regarding payor mix and other variables that will need to be managed by the City when it begins providing EMS Services next year;
4. EMS/MC already has a working knowledge of the needs and preferences of the MedStar staff that currently manage the internal MedStar billing function. The majority of those staff members are slated to transition from MedStar to the City to continue to work in that function, and having a good working relationship already in place will assist with the transition; and
5. EMS/MC has working relationships with local medical providers, which will be valuable in ensuring effective and efficient processing of Electronic Patient Care Reporting (EPCR) packets.

Under the agreement, EMS/MC will process approved EPCR packets, which will include working with local medical providers to share patient information that is necessary for billing, working with third-party payors such as vehicle and medical insurance, working with self-pay patients, and communicating amounts due and payable to the patients after all third-party payments have been applied. Additionally, EMS/MC will provide tracking, reporting, and work with patients based on the policies adopted by the City that may impact amounts owed. EMS/MC will also assist, as requested, with the City's application for a National Provider Number and authorization from Medicaid and Medicare to become an approved provider, which will allow the City to bill these entities.

COMPENSATION: EMS/MC will be paid a percentage of revenues collected from patients in response to their billing and collection activities in accordance with the agreement. The agreement addresses different situations and has differing percentages based on services used that range from 2% for non-emergency transports to 19.50% for motor vehicle accident transports that require a third-party software to identify the insurance or other payor for recovery. All payments will be remitted to the City via a banking lockbox, and the City will then remit the appropriate amount to EMS/MC on a monthly basis.

City Finance staff will have regular meetings with EMS/MC to ensure that collection and billing activities remain consistent with City expectations for both recovery and customer service.

TERM: Following approval of this M&C, this agreement will begin upon execution and will end on June 30, 2026 (Initial Term). Although the term begins upon execution, fees will not accrue until billing services begin in July of 2025. Prior to that time, EMS/MC will provide assistance with licensure processes and ramp-up processes for the billing function at no charge to the City.

RENEWALS: The agreement may be renewed for up to three (3), successive one-year renewal terms following the end of the Initial Term.

EXEMPT PROCUREMENT: The City Attorney's Office has determined that EMS services billing and collection services is exempt from competitive bidding under the provisions of Chapter 252 of the Texas Local Government Code as a service necessary to preserve or protect the public health or safety of the municipality's residents and as a professional service.

BUSINESS EQUITY: A waiver of the goal for Business Equity subcontracting requirements was requested and approved by DVIN, in accordance with the MWBE Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the agreement, funds will be deposited into the Emergency Medical Services Fund. The Financial Management Services Department is responsible for the collection and deposit of funds due to the City.

<u>Submitted for City Manager's Office by:</u>	Reginald Zeno	8517
	Dana Burghdoff	8018
<u>Originating Business Unit Head:</u>	Reginald Zeno	8517
	James Davis	6801
<u>Additional Information Contact:</u>	Jo Ann Gunn	8525
	Jesus Fernandez	6467