

Council Letter

City of Knoxville

DATE: 10/03/2016

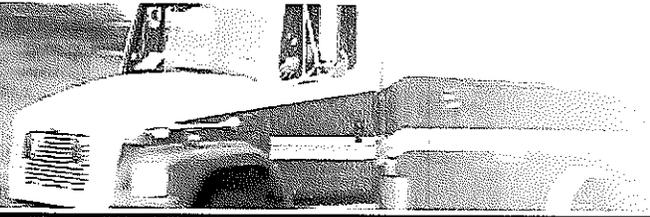
Agenda Item: Shall the City Council discuss and review the proposals from Fire Recovery EMS and Cornerstone to provide a billing service for our emergency medical transports.

Background: Knoxville Fire Department has discovered 2 other vendors that provide a more in-depth service for less fees than our current provider.

Budget Impact: This will improve our current budget by saving approximately \$20,000.00 in fees. Our current billing provider, EMS Billing Services, charges 10% for all funds collected for ambulance bills. Cornerstone has provided a bid of 8% with basically the same level of service. Fire Recovery EMS has provided a bid of 6.5% and they offer training and education as well as a more aggressive collection approach.

Recommendations: Fire Chief Jim Mitchell recommends the Council approve changing billing agencies from EMS Billing Service to Fire Recovery EMS. We feel that not only will we receive a 3.5% reduction in fees, but with a more aggressive approach to collecting the fees for service, we will receive an increase in revenue.

Supporting Documents: Cornerstone bid and Fire Recovery EMS bid.



Cost of Services to Knoxville Fire and Rescue

What follows is a summary of the fee and features offered by Cornerstone Adminisystems, itemized to aid in the final evaluation. Of note, there is **no additional cost** for any of the features listed below, as our service is all-inclusive.

Fee

Our proposed fee is based on a percentage of net collections (gross payments *less* refunds). This means we only receive payment when our clients receive payment. It is the truest way to ensure performance.

- We offer a contingency fee of 8% of net collections

Features

- Turnkey Revenue Cycle Management Service
- No Risk Contract, Easy 30-Day Opt-Out
- Provider Enrollment & Credentialing Management
- ePCR Field Data Integration and Retrieval
- Electronic Payment Delivery
- Electronic Claims Submission Through Clearinghouse
- Integration of Custom Patient Website
- Custom Patient Survey, if applicable
- Scanning solution, if applicable
- Secure 24/7 Online Access to all Critical Billing Information, including:
- Custom and On-Demand Reports, as requested
- Dedicated Account Managers
- Unlimited On-Site Visits
- Free Documentation & HIPAA Compliance Workshops
- Zero start-up costs or hidden fees
- All payment-processing related fees absorbed by Cornerstone
 - Credit Card Transaction Fees
 - Check Reprocessing Fees
 - Insufficient Funds/Returned Check Fees
 - ACH Bank Fees



www.firerecoveryusa.com

This Agreement is entered into as of November 1, 2016 between the *City of Knoxville, Iowa*, hereinafter referred to as *CLIENT* and Fire Recovery EMS, LLC, hereinafter referred to as FRUSA.

WHEREAS, *CLIENT* has determined that it is in their best interest to retain the services of an outside billing service to collect monies for services rendered by *CLIENT*.

WHEREAS, FRUSA does hereby hold itself as being ready and able to perform a billing service program as described herein.

NOW, THEREFORE, in consideration of the aforementioned promises and mutual covenants and promises stated herein, the parties hereby agree as follows:

1. FRUSA shall provide a separate and complete Accounts Receivable program within FRUSA's computer billing system for the exclusive purpose of collections for *CLIENT*.

FRUSA will enter into said computer billing system, any and all ambulance trips received from *CLIENT*. FRUSA shall abstract, from the documentation provided by *CLIENT*, all diagnosis and procedure information necessary to determine the level and type of service provided, any billable diagnostic and therapeutic procedures performed, any billable supplies and ancillary services rendered, and the appropriate diagnosis codes to be billed for all ambulance run information provided by FRUSA by the client for that purpose.

FRUSA will follow established billing industry guidelines, including those established by HCFA, HIPAA, and various other government programs, for ambulance services. To ensure compliance, FRUSA will periodically audit, on a prospective and retrospective basis, a sample of *CLIENT*'s billing and clinical records. *CLIENT* retains responsibility for providing accurate and complete documentation of clinical services provided. *CLIENT* understands that FRUSA will code only from the documentation provided.

2. FRUSA shall provide electronic billing of Medicare and Medicaid claims. It is the responsibility of *CLIENT* to inform Medicare and Medicaid or any changes in the company's status.

3. FRUSA will bill any and all appropriate commercial or third party payers as directed by *CLIENT*.
4. FRUSA will invoice all patients and all supplemental private pay patients as directed by *CLIENT* and as required by the Federal Medicare Program.

Payment invoicing will be done on a billing form specific for *CLIENT*. Invoicing/ collection activities will be conducted on the following schedule:

1st invoice	within 3 days of receipt
Insurance request	30 days after 1 st invoice
Automated phone call	20 days after previous request
2 nd invoice	10 days after phone call
Final notice	20 days after 2 nd invoice
Collections or W/O review	30 days after final notice

Collection agency or write off if no results from above as pre-determined by *CLIENT*.

5. It is the responsibility of *CLIENT* to contact receiving hospitals in an effort to obtain access to patient face sheets and/or patient insurance information.
6. All monies received by FRUSA on behalf of *CLIENT* will be posted to the patients' accounts on a weekly basis and mailed to *CLIENT* on a monthly basis. All checks will be made payable to *CLIENT*. FRUSA cannot cash any checks and has no access to any *CLIENT* bank accounts. It is the responsibility of *CLIENT* to notify FRUSA (on any payments received at *CLIENT*) within seventy-two (72) hours of all payments, correspondence, explanation of benefits, etc. relating to the services heretofore described.
7. FRUSA will maintain 800-phone service for the purpose of run sheet and payment submission. This line will be available 24 hours a day.
8. FRUSA will promptly respond to all *CLIENTS'* service recipient concerns related to all billing practices conducted herein.

FRUSA will maintain an 800-phone line for the purpose of customer service. This line will be staffed Monday through Friday from 8:30 am to 7:30 pm Central time.

9. FRUSA shall comply with all Federal and State regulations, ordinances and procedures governing ambulance collections.

10. FRUSA will submit a monthly accounts receivable aging report by payer category, which will include identifying all uncollected receivables, a payment receipt journal recap, and a monthly ticket survey, detailing all of the transports billed from the previous month. It is the responsibility of *CLIENT* to verify these reports and provide FRUSA with any missing data. All reports currently within the software of FRUSA's billing system will be provided to *CLIENT* at no additional cost.
11. FRUSA shall recognize and comply with the right of authorized *CLIENT* representatives to review any and all payment records pursuant to claims and/or collection procedures conducted herein. *CLIENT* shall have the right to audit such reports at reasonable times.
12. *CLIENT* agrees to pay FRUSA in accordance with the following fee schedule for the aforementioned service for a term of one (1) year so long as this Agreement has not been terminated:
 - a. FRUSA shall be paid a fee of 6.5 percent (%) of all payments collected.
 - b. Payments to FRUSA shall be based upon revenues received in the preceding month. FRUSA will provide a monthly billing to *CLIENT* calculating amounts owed to FRUSA based upon the above stated formula.
 - c. Failure to pay FRUSA within 15 days of the monthly bill may constitute immediate termination of the contract and possible legal action at the cost of *CLIENT*.
13. If *CLIENT* determines it is in their best interest to use a collection agency, *CLIENT* will deal directly with the collection agency regarding their fees.
14. It is expressly understood and agreed that FRUSA is an independent contractor who shall at all times maintain insurance in force as herein provided and FRUSA shall in all events defend and save and hold harmless *CLIENT* from any and all liabilities, obligations, debts, charges, or judgments arising from claims, injuries or debts, charges, or judgments arising from injuries or property damage claims attributable to the activities of FRUSA while engaged in the performance of its duties under this Agreement.

15. This agreement shall be effective on the date hereof and shall remain in full force and effect for a term of one (1) year. Thereafter, this Agreement shall be automatically extended for successive one (1) year periods unless terminated as hereinafter set forth. All terms and provisions of this Agreement shall continue in full force and effect unless otherwise modified. Either party may terminate this agreement at any time by giving the other party ninety (90) days written notice. Notwithstanding the aforementioned, this agreement shall be subject to immediate termination by *CLIENT* if FRUSA fails to maintain insurance as in part 16.
16. FRUSA will maintain a one million dollars (\$1,000,000.00) professional liability and general liability of at least one million dollars (\$1,000,000.00), and workers compensation in an amount, which meets or exceeds the requirements of the State of Illinois.
17. If this contract is terminated prior to the (1) year agreement *CLIENT* allows FRUSA to continue collections efforts for a period of 6 months following the contract termination, unless other arrangements have been agreed to by both parties in writing. *CLIENT* understands that they will be responsible to pay FRUSA their commission on their collections during this time period in accordance with section 11(c).

Proper notice may be given by certified or registered mail to:

Patrick J. Mannix
Chief Executive Officer
Fire Recovery EMS, LLC
3223 North Wilke Road
Arlington Heights, IL 60004

OR TO:

At termination of the Agreement it is the responsibility of FRUSA to return to *CLIENT* any and all records and documents submitted to FRUSA, except as required by Federal Law.

IN WITNESS WHEREOF, the Responsible Party of *CLIENT* and the Director of Operations of FRUSA have executed this agreement.

CLIENT

FIRE RECOVERY EMS, LLC

BY: _____

BY: _____

DATE: _____

DATE: _____