

AN ORDINANCE

2016-06-30-0525

AUTHORIZING THE EXTENSION OF THE PROFESSIONAL SERVICES AGREEMENT FOR EMS BILLING AND COLLECTION WITH MEDICAL-DENTAL-HOSPITAL BUREAU OF SAN ANTONIO, INC. D/B/A BUSINESS AND PROFESSIONAL SERVICE FOR ONE AVAILABLE TWO-YEAR RENEWAL TERM THAT BEGINS OCTOBER 1, 2016 AND ENDS SEPTEMBER 30, 2018, AND AMENDING THE AGREEMENT TO REDUCE THE COMPENSATION PAID BY THE CITY TO THE CONTRACTOR AND TO REDUCE THE GUARANTEED NET EFFECTIVE COLLECTION RATE WITHOUT NEGATIVELY IMPACTING DEPARTMENTAL REVENUE.

* * * * *

WHEREAS, pursuant to Ordinance No. 2011-12-15-1065, passed and approved on December 15, 2011, City, and Medical-Dental-Hospital Bureau Of San Antonio, Inc. D/B/A Business And Professional Service ("Contractor") have entered into that certain *Professional Services Agreement For EMS Billing And Collection* which commenced January 1, 2012 ("Agreement"), that provides for Contractor to perform professional billing and collection of EMS fees for the City for an initial term that began January 1, 2012, and ends on September 30, 2016, with the City to have the right to renew the Agreement for one additional two year period upon approval of the San Antonio City Council by passage of an Ordinance; and

WHEREAS, Article IV, Section 4.1 of the Agreement sets the compensation to be paid by City to Contractor in consideration for Contractor's services provided under the Agreement at 8.9% of the Net Amount Collected as that term is defined in Section 1.12 of the Contract; and

WHEREAS, City Staff has recommended, and Contractor has agreed, that it is appropriate and in their respective best interests to reduce the compensation to be paid by City to Contractor in consideration for Contractor's services provided under the Agreement to 8.4% of the Net Amount Collected as that term is defined in Section 1.12 of the Agreement; and

WHEREAS, Article IX of the Agreement contains provisions regarding the Guaranteed Net Effective Collection Rate (Guaranteed "NECR") to be guaranteed by Contractor to City throughout the term of the Agreement; and

WHEREAS, the Guaranteed NECR initially and currently specified in the Agreement is 64% for a given transport month after twelve months of collection effort for that transport month; and

WHEREAS, Article IX, Section 9.1 (c) provides that factors beyond Contractor's control may affect Contractor's ability to meet its Guaranteed NECR, such as EMS fee increases and changes to laws pertaining to Medicare and Medicaid, and further provides that should such changes occur and they materially affect Contractor's ability to meet its guarantee, the Parties may re-negotiate the Guaranteed NECR and Contractor's fees; and

WHEREAS, the City has increased its EMS fees in connection with one or more of the four Annual Consolidated Operating and Capital Budgets that have been adopted by City to date during the term of the Agreement; and

WHEREAS, as a result of the federal Affordable Care Act, parts of which became effective in 2011 and additional parts of which have taken effect and will continue to take effect throughout the initial term of the Agreement, reimbursements by Medicare and Medicaid of EMS fees charged by the City for emergency medical services have been reduced substantially; and

WHEREAS, the combination of the increased EMS fees and the substantial reduction in Medicare and Medicaid reimbursements has created a situation which materially affects and impairs Contractor's ability to meet the Guaranteed NECR for the remainder of the initial term of the Agreement; and

WHEREAS, this situation has occurred as the result of circumstances that are totally beyond Contractor's control; and

WHEREAS, in accordance with the provisions of Article IX, Section 9 (c) of the Agreement, City Staff has recommended, and Contractor has agreed, to revise the Guaranteed NECR to 56% for a given transport month after twelve months of collection effort for that transport month; and

WHEREAS, City Staff has also recommended, and Contractor has agreed, to extend the term of the Agreement for its one (1) two (2) year extension, with the extended term to begin October 1, 2016 and end September 30, 2018; and

WHEREAS, after due deliberations on and consideration of the matter, the City Council desires to accept all of the Staff recommendations as set forth above; **NOW THEREFORE**;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. *The First Amendment And Extension of the Professional Services Agreement For EMS Billing And Collection* ("First Amendment And Extension") is hereby approved in all things.


The City Manager, or her designee, or the Fire Chief, or his designee, are each hereby authorized to execute the First Amendment And Extension, substantially in the form attached hereto as **Attachment I** and incorporated herein by reference for all purposes.

SECTION 2. The amounts will be encumbered upon issuance of a purchase order, and payment is authorized to Medical-Dental-Hospital Bureau of San Antonio, Inc. dba Business and Professional Service. All expenditures will be in accordance with the Fiscal Year 2016 and subsequent budgets that fall within the term period of this contract approved by City Council.


SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance is effective immediately upon passage by eight (8) affirmative votes; otherwise, said effective date shall be ten (10) days from the date of passage hereof.

PASSED AND APPROVED this 30th day of June, 2016.

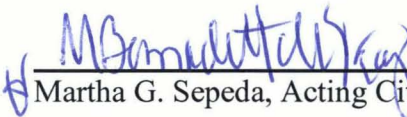

M A Y O R
Ivy R. Taylor

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Martha G. Sepeda, Acting City Attorney

Agenda Item:	33 (in consent vote: 4, 6, 7, 8, 9, 10, 11, 12A, 12B, 13, 15, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 35, 36, 37, 39A, 39B)						
Date:	06/30/2016						
Time:	09:25:19 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing the extension of the Professional Services Agreement For EMS Billing And Collection with Medical-Dental-Hospital Bureau of San Antonio, Inc. d/b/a Business And Professional Service for one available two-year renewal term that begins October 1, 2016 and ends September 30, 2018, and amending the agreement to reduce the compensation paid by the City to the Contractor and to reduce the Guaranteed Net Effective Collection Rate without negatively impacting departmental revenue. [Erik J. Walsh, Deputy City Manager; Charles N. Hood, Fire Chief]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				x
Alan Warrick	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x			x	
Michael Gallagher	District 10		x				

RKN
06/30/16
Item No. 33

ATTACHMENT I

**FIRST AMENDMENT AND EXTENSION
OF
PROFESSIONAL SERVICES AGREEMENT
FOR
EMS BILLING AND COLLECTION**

THE STATE OF TEXAS §
 §
THE COUNTY OF BEXAR §

This *First Amendment And Extension Of Professional Services Agreement For EMS Billing And Collection* ("First Amendment And Extension") is made and entered into by and between the **CITY OF SAN ANTONIO** (hereinafter referred to as "City"), a Texas Home-Rule Municipal Corporation, acting by and through its City Manager or her designee, and **MEDICAL-DENTAL-HOSPITAL BUREAU OF SAN ANTONIO, INC., d/b/a BUSINESS & PROFESSIONAL SERVICE**, a Texas corporation, acting herein through its duly authorized Vice President (hereinafter referred to as "Contractor"). City and Contractor are sometimes hereafter collectively referred to as the "Parties".

WHEREAS, pursuant to Ordinance No. 2011-12-15-1065, passed and approved on December 15, 2011, City, and Contractor have entered into that certain *Professional Services Agreement For EMS Billing And Collection* which commenced January 1, 2012 ("Agreement"), that provides for Contractor to perform professional billing and collection of EMS fees for the City for an initial term that began January 1, 2012, and ends on September 30, 2016, with the City to have the right to renew the Agreement for one additional two year period upon approval of the San Antonio City Council by passage of an Ordinance; and

WHEREAS, Article IV, Section 4.1 of the Agreement sets the compensation to be paid by City to Contractor in consideration for Contractor's services provided under the Agreement at 8.9% of the Net Amount Collected as that term is defined in Section 1.12 of the Contract; and

WHEREAS, the Parties have agreed that it is appropriate and in their respective best interests to reduce the compensation to be paid by City to Contractor in consideration for Contractor's services provided under the Agreement to 8.4% of the Net Amount Collected as that term is defined in Section 1.12 of the Agreement, and desire to enter into and execute this First Amendment And Extension to evidence and memorialize such reduction; and

WHEREAS, Article IX of the Agreement contains provisions regarding the Guaranteed Net Effective Collection Rate (Guaranteed NECR") to be s guaranteed by Contractor to City throughout the term of the Agreement; and

WHEREAS, the Guaranteed NECR initially and currently specified in the Agreement is 64% for a given transport month after twelve months of collection effort for that transport month; and

WHEREAS, Article IX, Section 9.1 (c) provides that factors beyond Contractor's control may affect Contractor's ability to meet its Guaranteed NECR, such as EMS fee increases and changes to laws pertaining to Medicare and Medicaid, and further provides that should such changes occur and they materially affect Contractor's ability to meet its guarantee, the Parties may re-negotiate the Guaranteed NECR and Contractor's fees; and

WHEREAS, the City has increased its EMS fees in connection with one or more of the four Annual Consolidated Operating and Capital Budgets that have been adopted by City to date during the term of the Agreement; and

WHEREAS, as a result of the federal Affordable Care Act, parts of which became effective in 2011 and additional parts of which have taken effect and will continue to take effect throughout the initial term of the Agreement, reimbursements by Medicare and Medicaid of EMS fees charged by the City for emergency medical services have been reduced substantially; and

WHEREAS, the combination of the increased EMS fees and the substantial reduction in Medicare and Medicaid reimbursements has created a situation which materially affects and impairs Contractor's ability to meet the Guaranteed NECR for the remainder of the initial term of the Agreement; and

WHEREAS, this situation has occurred as the result of circumstances that are totally beyond Contractor's control; and

WHEREAS, pursuant to the provisions of Article IX, Section 9 (c) of the Agreement, the Parties have agreed to revise the Guaranteed NECR as provided below, and desire to enter into and execute this First Amendment And Extension to evidence and memorialize such revision; and

WHEREAS, the Parties also mutually agree to and desire to extend the term of the Agreement for its one (1) two (2) year extension, with the extended term to begin October 1, 2016 and end September 30, 2018; **NOW, THEREFORE:**

FOR VALUABLE CONSIDERATION, the sufficiency and receipt of which is hereby acknowledged by each of the Parties, the Parties hereby severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described.

Remainder of Page intentionally left blank

I. REDUCTION OF COMPENSATION PAID TO CONTRACTOR

1.1 Article IV, Section 4.1 of the Agreement is hereby amended so that the same shall hereafter read as follows:

4.1 In consideration of Contractor's performance in a satisfactory and efficient manner, as determined solely by Director, of all services and activities set forth in this Agreement, City agrees to pay Contractor as total compensation to be paid to Contractor an amount not to exceed 8.4% of the Net Amount Collected. Contractor shall submit invoices to City on or before the 4th business day of each month, along with its monthly Reports as required per Section 3.18, in a format approved by the City. City shall have the right to require that certain information be included with the invoice, such as City contract identifying numbers,. City shall pay Contractor within 15 business days of receipt and approval of an invoice. City shall make available to Contractor, in a timely manner, those bank statements that reflect deposits in the lock box t enable Contractor to prepare its invoice.

II. REDUCTION OF GUARANTEED NET EFFECTIVE COLLECTION RATE

2.1 Pursuant to the provisions of Article IX, Section 9 (c) of the Agreement, Article IX, Section 9 (a) of the Agreement is hereby amended so that the same shall hereafter read as follows:

- a. Rate Guaranteed. Contractor guarantees that it will achieve a minimum NECR of 56% for a given transport month after twelve months of collection efforts for that transport month. For example, if \$3,000,000.00 is the Net Amount Billed for the transport month of April 2016, Contractor guarantees collection of \$1,680.00 by the end of April 2017 for those invoices issued in April 2016.

III. EXTENSION OF AGREEMENT

3.1 Pursuant to the provisions of Article 2, Section 2.2 of the Agreement, the Agreement is hereby extended for its one (1) two (2) year extension term. The extension term will begin October 1, 2016, and end September 30, 2018.

IV. Remainder of Agreement in Full Force and Effect

4.1 Except as amended by the terms and conditions of this First Amendment, the terms and conditions of the Agreement shall remain unchanged, in full force and effect, and enforceable in accordance with their provisions.

V. Effective Date

5.1 This First Amendment And Extension shall be effective from and after July 1, 2016.

EXECUTED and AGREED TO this the _____ day of July, 2016.

CITY:
CITY OF SAN ANTONIO

CONTRACTOR:
MEDICAL-DENTAL-HOSPITAL
BUREAU OF SAN ANTONIO, INC., d/b/a
BUSINESS & PROFESSIONAL SERVICE

Erik Walsh
Deputy City Manager

Tom McDonald
Vice President

Approved as to form:

Robert Nordhaus
Assistant City Attorney