



City of San Antonio

Agenda Memorandum

File Number: 19-2217

Agenda Item Number: 30.

Agenda Date: 3/21/2019

In Control: City Council A Session

DEPARTMENT: SAFD

DEPARTMENT HEAD: Charles N. Hood

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Professional Service Agreement for Emergency Medical Service Billing and Collection Services

SUMMARY:

This ordinance authorizes a Professional Services Agreement with Medical-Dental-Hospital Bureau of San Antonio, Inc. dba Business and Professional Service (B&P) to provide Emergency Medical Services (EMS) billing and collection services to the City of San Antonio for the period beginning April 1, 2019 and ending September 30, 2024 with the option for the City to extend for two (2) additional one (1) year periods. This contract generates annual revenues of approximately \$25 million which will be deposited into the General Fund in accordance with the Adopted Budget.

BACKGROUND INFORMATION:

On December 15, 2011, City Council authorized the execution of a contract with B&P for a period beginning January 1, 2012, and ending September 30, 2016 by Ordinance # 2011-12-15-1065. The contract included one (1) option to renew for a two (2) year period. On June 30, 2016, City Council authorized an extension of the agreement through September 30, 2018 by Ordinance #2016-06-30-0525. On August 16, 2018, City Council authorized a second amendment and extension of the agreement to extend the terms of the contract for an additional six (6) months, beginning October 1, 2018 and ending March 31, 2019 by ordinance #2018-08-16-0630.

This is a high profile contract that presented to the Audit Committee for a pre-solicitation briefing on June 19, 2018. This contract was presented to the Goal Setting Committee on June 12, 2018. A formal Request for

Proposal (RFP) for the billing and collection of EMS fees was released on September 1, 2018 and closed on October 5, 2018. The City received five (5) proposals to the solicitation which were evaluated by a panel comprised of representatives from the City Manager's Office, Fire Department, Finance, Budget and a representative from the Southwest Texas Regional Advisory Council.

Based on initial scoring by members of the evaluation panel, three respondents were invited to appear for interviews on December 14, 2018. The panel interviewed the City's current provider Medical-Dental-Hospital Bureau of San Antonio, Inc. dba Business and Professional Service, Advanced Data Processing, Inc. dba Intermedix and Change Healthcare Technology Enabled Services LLC. Final scoring by the voting committee members was conducted on January 14, 2019. Based on final scores, the recommended awardee is Medical-Dental-Hospital Bureau of San Antonio. This recommendation was presented to the Audit Committee on January 29, 2019. This ordinance will approve a new contract with B&P for services beginning April 1, 2019 and ending September 30, 2024.

The Goal Setting Committee established a Minority and/or Women-Owned Business Enterprise (M/WBE) subcontracting goal of thirteen (13) % for this contract, requiring that thirteen (13) % of the work associated with this contract be completed by a certified SBEDA eligible small M/WBE located within the San Antonio Metropolitan Statistical Area. B&P meets this requirement.

Additionally, B&P has held the City's EMS billing and collection contract since 1992 and has proven to be a responsible and professionally staffed collection firm with excellent performance.

B&P collects various payment types which include Medicaid, Medicare, Commercial Insurance as well as direct payments from patients. In Fiscal Year 2018, the City paid \$2,144,549.58 to B&P for collecting \$24,465,819.00 in billed accounts.

ISSUE:

This ordinance authorizes the execution of a contract with Medical-Dental-Hospital Bureau of San Antonio, Inc, dba Business and Professional Service, to provide Emergency Medical Service (EMS) billing and collection services to the City of San Antonio. The initial term of the contract will be from April 1, 2019 to September 30, 2024, with the option for two (2) additional one (1) year extensions.

In accordance with Local Preference Program, the recommended Respondent received 10 points for being headquartered within the incorporated San Antonio city limits.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, the highest ranked firm is not a veteran-owned small business.

ALTERNATIVES:

The City has the option not to award this contract; however, this contract expires March 31, 2019 and the City will have no contract in place for the collections on EMS billing services.

FISCAL IMPACT:

This ordinance authorizes a Professional Services Agreement with Medical-Dental-Hospital Bureau of San

Antonio, Inc. dba Business and Professional Service (B&P) to provide Emergency Medical Services (EMS) billing and collection services to the City of San Antonio for the period beginning April 1, 2019 and ending September 30, 2024 with the option for the City to extend for two (2) additional one (1) year periods. This contract generates annual revenues of approximately \$25 million which will be deposited into the General Fund in accordance with the Adopted Budget.

In this agreement, B & P will be paid an amount not to exceed 8.4% of the net amount collected. For FY 2019, that amount is estimated at \$2.1 million and is included in the FY 2019 SAFD General Fund budget. Future years will be subject to appropriation as part of the annual budget process. B & P's guaranteed net effective collection rate is 55% under the new agreement; this is 1% lower than the current rate. The change in the rate results from the increase to the EMS transport fee of \$950 to \$1,000 approved in the FY 2019 Adopted Budget which places downward pressure on overall collection rates. Over the past three years the actual collection rate has exceeded 57%.

RECOMMENDATION:

The staff recommends the approval of the Professional Service Agreement with Business and Professional Service relating to Emergency Medical Service Billing and Collection Services