



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title: Recommendation to Approve the Contract with Andres Medical Billing

Presenter: Fire Chief Joseph Schelstreet

Please check appropriate box:

<input type="checkbox"/>	Government Operations (1/20/15)	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council

Estimated Cost:	\$0	Budgeted:	<input type="checkbox"/> YES	<input type="checkbox"/> NO
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If NO, please explain how item will be funded:

Executive Summary:

The Tri City Ambulance Board approved the selection of Andres Medical Billing as their vendor for medical billing at their December 12, 2014 meeting. This selection came after an extensive RFP process. Andres is the current vendor and has been so since 2006. The agreement calls for a continuation of the current terms: 1) Four-year contract and 2) Andres will receive as a fee 4.5% of all payments received in the preceding month for normal billings only. Tri City Ambulance has contracted with Northwest Collectors for collection agency services.

These terms represent no increase in the costs for the service. The City of St. Charles is the lead agency for Tri City Ambulance and it is necessary for Council to vote for approval of the contract. Staff has been very satisfied with the performance of Andres and recommends approval.

Attachments: *(please list)*

Contract with Andres Medical Billing

Recommendation / Suggested Action *(briefly explain):*

Recommendation to approve the contract with Andres Medical Billing.

For office use only:

Agenda Item Number: 5a



This Agreement is entered into as of January 8, 2015, between Tri City Ambulance, hereinafter referred to as Tri City Ambulance and Andres Medical Billing, Ltd., hereinafter referred to as AMB.

WHEREAS, Tri City Ambulance 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 Tri City Ambulance.

WHEREAS, AMB 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. AMB shall provide a separate and complete Accounts Receivable program within AMB's computer billing system for the exclusive purpose of collections for Tri City Ambulance.

AMB will enter into said computer billing system, any and all ambulance trips received from Tri City Ambulance. AMB shall abstract, from the documentation provided by Tri City Ambulance, 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 AMB by the client for that purpose.

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

2. AMB shall provide electronic billing of Medicare, Medicaid and Insurance claims, when applicable. It is the responsibility of Tri City Ambulance to inform Medicare and Medicaid of any changes in the company's status.

3. AMB will bill any and all appropriate commercial or third party payers as directed by Tri City Ambulance.
4. AMB will invoice all patients and all supplemental private pay patients as directed by Tri City Ambulance and as required by the Federal Medicare Program.

Payment invoicing will be done on a billing form specific for Tri City Ambulance. 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 Tri City Ambulance.

5. All monies received by AMB on behalf of Tri City Ambulance will posted to the patients' accounts on a weekly basis and mailed to Tri City Ambulance on a monthly basis. All checks will be made payable to Tri City Ambulance. It is the responsibility of Tri City Ambulance to notify AMB (on any payments received at Tri City Ambulance) within seventy-two (72) hours of all payments, correspondence, explanation of benefits, etc. relating to the services heretofore described.
6. AMB will maintain 800-phone service for the purpose of run sheet and payment submission. This line will be available 24 hours a day.
7. AMB will promptly respond to all Tri City Ambulances' service recipient concerns related to all billing practices conducted herein.

AMB 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.

8. AMB shall comply with all Federal and State regulations, ordinances and procedures governing ambulance collections.

9. AMB 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 Tri City Ambulance to verify these reports and provide AMB with any missing data. All reports currently within the software of AMB's billing system will be provided to Tri City Ambulance at no additional cost.
10. AMB shall recognize and comply with the right of authorized Tri City Ambulance representatives to review any and all payment records pursuant to claims and/or collection procedures conducted herein. Tri City Ambulance shall have the right to audit such reports at reasonable times.
11. Tri City Ambulance agrees to pay AMB in accordance with the following fee schedule for the aforementioned service of four (4) years so long as this Agreement has not been terminated:
 - a. AMB shall be paid a fee of four and ½ percent (4.5%) of all payments collected.
 - b. Payments to AMB shall be based upon revenues received in the preceding month. AMB will provide a monthly billing to Tri City Ambulance calculating amounts owed to AMB based upon the above stated formula.
 - c. Failure to pay AMB within 30 days of the monthly bill may constitute immediate termination of the contract and possible legal action at the cost of Tri City Ambulance.
12. If Tri City Ambulance determines it is in their best interest to use a collection agency, Tri City Ambulance will deal directly with the collection agency regarding their fees.
13. It is expressly understood and agreed that AMB is an independent contractor who shall at all times maintain insurance in force as herein provided and AMB shall in all events defend and save and hold harmless Tri City Ambulance 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 AMB while engaged in the performance of its duties under this Agreement.
14. It is the sole determination of Tri City Ambulance as to fees for services that will be charged to its patients and/or facilities. Such fees should be based on fair market value.

15. This agreement shall be effective on the date hereof and shall remain in full force and effect for a term of four (4) years. 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 six (6) months written notice. Notwithstanding the aforementioned, this agreement shall be subject to immediate termination by Tri City Ambulance if AMB fails to maintain insurance as in part 16.
16. AMB maintains Professional Liability, General Liability, Commercial Auto Liability and Workers Compensation. Each policy has a separate one million dollar coverage limit (\$1,000,000). AMB also maintains a two million (\$2,000,000) Commercial Umbrella policy.
17. If this contract is terminated prior to the (4) year agreement Tri City Ambulance allows AMB 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. Tri City Ambulance understands that they will be responsible to pay AMB 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
Andres Medical Billing, Ltd.
3343 N. Ridge Avenue
Arlington Heights, IL 60004

OR TO:

At termination of the Agreement it is the responsibility of AMB to return to Tri City Ambulance any and all records and documents submitted to AMB, except as required by Federal Law.

IN WITNESS WHEREOF, the Responsible Party of Tri City Ambulance and the Director of Operations of AMB have executed this agreement.

TRI CITY AMBULANCE

BY: Jeffery D. Schulte

DATE: 1-8-15

ANDRES MEDICAL BILLING, LTD.

BY: [Signature]
Asst. Operations
Manager

DATE: 1/7/15