

# Agenda Report

**TO:** CITY COUNCIL

**DATE:** July 13, 2009

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT:** AUTHORIZATION TO EXECUTE CONTRACT WITH ACS STATE & LOCAL SOLUTIONS, INC. FOR PARAMEDIC BILLING SERVICES AND ELECTRONIC PATIENT CARE REPORTING

**RECOMMENDATION:**

It is recommended that the City Council authorize the City Manager to execute a contract with ACS State & Local Solutions, Inc. for Paramedic Billing Services and Electronic Patient Care Reporting. The proposed contract is exempt from competitive bidding pursuant to City Charter Section 1002(F), Contracts for Professional or Unique Services.

**BACKGROUND:**

Over the past several months, in cooperation with the Finance Department and ITSD, the Fire Department searched for the latest solution to electronically capture patient care report forms, and determined the City could improve and streamline billing efforts currently done by City staff. The task at hand soon changed to one of evaluating a total solution; that is, one which would incorporate electronic Patient Care Report forms (ePCR) and a billing/collections program that would increase billing efficiency and effectiveness, thereby increasing collections and improving patient care in the field. The goal of the Fire Department was to incorporate proven hardware technology; a light weight, rugged, water proof device that would be easy to use by field personnel; coupled with a software program that could meet the needs of the Fire Department. This new solution would also need to communicate clearly with the Department's existing records management system, "FireHouse."

Since the late 1980s, the Pasadena Fire Department has piloted several programs dealing with electronic patient care reporting forms. The Fire Department is fortunate to have such a long history with electronic data collection, to have used large cumbersome devices, experienced slow screen transitions and limited data transmission, as Department members now

appreciate the latest technology and forecasted future capabilities. The Department's administrative staff has also had the opportunity to obtain feedback from the end user, the firefighter/paramedics, as well as tracking the Department's record management system data entries for accuracy.

The City currently has a mixture of automated and manual Paramedic related processes to collect patient information, bill the patient, generate the necessary reporting, and follow up with any required collections. The proposed ACS solution provides the field hardware, an automated process, and billing and collection services. The City already has a successful track record with this vendor and is utilizing its FireHouse RMS Computer Assisted Dispatch software to track all Fire and Paramedic calls for service.

For a number of years, the Finance Department's Paramedic Billing Unit has had two full-time staff members responsible for inputting data from paper incident reports into an automated billing system. One of the two employees has accepted another position within Finance. The other employee will be placed into a comparable position upon final outsourcing. The current system is used to produce invoices that are mailed to patients or electronically submitted to insurance companies, Medicare and Medi-Cal. Payments and collection efforts are recorded in this system to track amounts owed. The ACS solution offers a fully automated solution that will upload data directly from the field tablet PC upon completion by the paramedic. The ACS billing solution is designed to validate data and help ensure that there is no missing data so that billing can be generated within days rather than one to three weeks after patient care. The terms of the RFP require billings to be generated within 48 hours of receiving complete billing information.

ACS's billing solution, known as ABACOS (Ambulance Billing Automated Collection Online System), is a mainframe system hosted and maintained in Tarrytown, New York. Within ABACOS, are a number of automated features that reduce manual errors and increase the speed and proficiency of claims processing. Examples of this automation are proprietary tools for obtaining current insurance information and addresses of patients. This solution is fully compliant with all credit and Health Insurance Portability and Accountability Act (HIPAA) regulations. ACS has worked closely with representatives of Medicare, Medi-Cal, and numerous insurance companies to establish and improve procedures for electronic submission and payment of claims. ACS will provide a total customer service solution, which includes English and Spanish speaking live customer support during business hours, 24/7 voicemail, and use of AT & T language support for any other language.

ACS has proposed to use two vendors located in the City of Pasadena to assist with this contract. Engroove Consulting will provide 24/7 local hardware, software, and technical support to the Fire Department. Amber Martin Consulting will assist with initial training and quarterly trainings on proper documentation techniques for billing.

ACS State & Local Solutions, Inc. is a subsidiary of ACS, Inc., a Fortune 500

Company with \$5.8 billion in annual revenues. They have been providing EMS billing and collection services for over twenty years and currently bill over 400,000 transports per year.

The estimated annual fee will be approximately \$398,000 per year and is based on 8.5% in the first year and 8.39% in year's two to five applied against net receipts. The current City billing operations cost approximately \$160,000 per year.

Estimated increase in annual revenues	\$480,000
Operational savings	160,000
One time start up costs	( 22,000)
Recurring annual costs	( 20,000)
Estimated fee to vendor	<u>( 398,000)</u>
Net increased revenue to City	\$200,000

### **Selection Process**

The Deputy Fire Chief and Emergency Medical Services (EMS) Battalion Chief independently recapped all of the bids received by the City. A matrix was developed to evaluate both aspects of the bid parameters: electronic patient care reporting (ePCR) and the billing/collections components. Independent reviews by Fire Administration were then compared side by side. It was determined that ACS was the vendor of choice for a total solution as identified in the bid process. Contributing factors in the decision making process included the vendor's proven ability to interface with the existing FireHouse records management system, provide a seamless interface between the initial field data collection process with the final billing component phase, comply with all HIPAA and Red Flag (Identity Theft) regulations, and meet or exceed the California EMS Information System (CEMSIS) or the National EMS Information System (NEMSIS) reporting standards. A minimum standard of CEMSIS Silver is required to meet the data transmission requirements of the Los Angeles County Department of Health Services (DHS). ACS meets CEMSIS Gold and NEMSIS Gold standards, which are the highest achievable levels. A total of five proposals were received with three proposing total solutions; one proposing the field device component, and one proposing a billing only component. The results of Fire, Finance, and ITSD's evaluation are shown in Attachment 1.

### **Conclusion and recommendation**

The health care industry has Presidential mandates to eliminate hard copy patient care reports and convert to electronic formats by 2014. The City of Pasadena has been moving in this direction for several years; however, until now technology had created several road blocks. It is recommended that the City Council authorize the City Manager to execute a contract with ACS State & Local Solutions, Inc. in an amount of 8.5% (and 8.39% in years two to five) of net receipts for providing paramedic billing services, hardware, software, installation, training, and support of 22 ruggedized tablets with electronic patient care reporting capability.

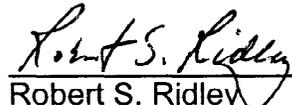
**FISCAL IMPACT:**

Annual revenues are estimated to increase by approximately \$480,000 over current net collections and outsourcing of the Paramedic Billing operation will result in approximately \$140,000 in annual savings. There will be an initial \$22,000 one time cost for establishing wireless network service. In addition, under the terms of the proposal, approximately \$200,000 in hardware will be purchased by the vendor for City use. The fixed percentage fee of 8.5% the first year results in an anticipated fee of \$398,000. This results in a combined net increase in revenues and cost savings to the City of approximately \$200,000 in the first year. This amount has been reflected in the adopted City Budget.

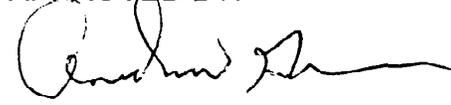
Respectfully submitted,

  
MICHAEL J. BECK  
City Manager

PREPARED BY:

  
Robert S. Ridley  
Controller

APPROVED BY:

  
Andrew Green  
Director of Finance

  
Kevin Costa  
Battalion Chief

  
Dennis J. Downs  
Fire Chief

Attachment

**ATTACHMENT 1**

**EMERGENCY MEDICAL SERVICES BILLING AND COLLECTIONS AND ELECTRONIC PATIENT CARE REPORTING  
PROPOSAL SCORES  
(AVERAGE OF INDIVIDUAL PANELIST RATINGS)**

<b>Proposer</b>	<b>Technical Merit and Completeness of Proposed Solution (65 points possible)</b>	<b>Price (25 points)</b>	<b>Local Pasadena Business (5 points)</b>	<b>Small or Micro- Business (5 points)</b>	<b>Total Score</b>
ACS, Inc.	58.0	22.8	4.3	2.7	87.8
Digitech Computer, Inc.	54.2	24.7	0	0	78.9
ADPI – Intermedix	45.9	23.7	0	0	69.6
Incline Technologies	25.3	12.5	2.5	2.5	42.8
Wittman Enterprises, LLC	21.6	18.6	0	2.5	42.7

**EXHIBIT "G"**  
**Disclosure Pursuant to the**  
**City of Pasadena Taxpayer Protection Amendment**  
**Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than 10% equity, participation, or revenue interest in Contractor/Organization, as follows:

*(If printing, please print legibly. Use additional sheets as necessary.)*

<b>1. Contractor/Organization Name:</b> ACS State & Local Solutions, Inc.
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<b>2. Type of Entity:</b>
<input checked="" type="checkbox"/> Non-Government <input type="checkbox"/> Nonprofit 501(c)(3), (4), or (6)

<b>3. Name(s) of trustees, directors, partners, officers of Contractor/Organization:</b>
Joseph P. Doherty, President
Charles B. Stitt, Chief Operating Officer
Michael Bolton, Chief Financial Officer
Nancy Collins, Senior Vice President
Kevin R. Kyser, Senior Vice President

ACS State & Local Solutions, Inc. is a fully owned subsidiary of Affiliated Computer Services, Inc., a publicly traded company with its material information on officers set forth in the published U.S. Securities & Exchange Commission filings.

<b>4. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:</b>
N/A

Prepared by: Victor DaSilva

Title: Senior Proposal Manager

Phone: 215-820-4646

Date: January 13, 2009

Rev.07.10.2007

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**Disclosure Pursuant to the**  
**City of Pasadena Taxpayer Protection Amendment**  
**Pasadena City Charter, Article XVII**

TAXPAYER PROTECTION AMENDMENT

Under the provisions of the City of Pasadena Taxpayer Protection Amendment ("Taxpayer Protection Act"), the Contractor/Organization will be considered a "recipient of a public benefit." The full provisions of the Taxpayer Protection Act are set forth in Pasadena City Charter, Article XVII. Under the Taxpayer Protection Act, City public officials who approve this Contract are prohibited from receiving specified gifts, campaign contributions or employment from Contractor for a specified time. As well, if this Contract is to be approved by the City Council, Council members or candidates for Council are prohibited from receiving campaign contributions during the time this Contract is being negotiated. This prohibition extends to individuals and entities that are specified and identified in the Taxpayer Protection Act and includes Contractor/Organization and its trustees, directors, partners, corporate officers and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization. Contractor/Organization understands and agrees that: (A) Contractor/Organization is aware of the Taxpayer Protection Act; (B) Contractor/Organization will complete and return the forms provided by the City in order to identify all of the recipients of a public benefit specified in the Taxpayer Protection Act; and (C) Contractor/Organization will not make any prohibited gift, campaign contribution or offer of employment to any public official who negotiated and/or approved this Contract.