



MEMORANDUM

TO: The Honorable Mayor and City Council
FROM: Bill Schultz, Fire Chief
DATE: March 16, 2020
SUBJECT: **Recommendation for Paramedic Services and Emergency Medical Services (EMS) Billing Services**

Request

Approve the resolution for the award of Paramedic Services and Emergency Medical Services (EMS) Billing Services.

Background

Since 1988, the City of Wheaton has utilized contracted services for the delivery of Emergency Medical Services (EMS). The delivery model provides for a cost effective and locally managed approach to a critical service for community members. Additionally, since 2000 the City has used a third-party billing company to manage EMS billing and collections to realize efficiencies within a highly specialized area of revenue collection (medical billing). The emergency medical and billing model meets the City's Strategic Priority of "Efficient and Effective Services". The current contract for emergency medical and EMS billing services expires on April 30, 2020.

The City of Wheaton is responsible for providing high quality medical care to our residents and visitors through Advanced Life Support (ALS) services using a tiered response system. The Fire Department currently utilizes 19 full-time contract personnel to deliver Advanced Life Support services.

Each of the City's three (3) ambulances (one at each fire station) is staffed by two paramedics currently contracted by Kurtz (AMR) Ambulance Service Inc., operating 24-hours. The City owns and maintains all vehicles and equipment. The three (3) year annual average of emergency medical incidents for the City is 4,050.

Scope of Work

The City is seeking to partner with one contractor to provide paramedic services and comprehensive emergency medical billing and collection services. The contractor will provide licensed paramedics, so that at all times during a 24-hour period for the full term of the Agreement, there are licensed paramedics on duty. The contractor will provide all services to manage the entire billing process from patient transport to account closure with a beginning service date of May 1, 2020.

Paramedic Services.

The typical composition of personnel is 19 positions. A sufficient number of personnel will be assigned to the City to cover the City's scheduled requirements and the contractor's approved paid time off. Two



personnel on a 24-hour duty shift will staff three City ambulances. Shifts have typically been 24-hours on/48-hours off beginning at 0700 hours each day. In addition to the 24-hour shift coverage, the contractor will provide an additional allotment of annual personnel hours not to exceed 2080 hours for the purpose of assigning a "Field Triage Paramedic." This position is included in the contracted 19 paramedics. The Fire Chief will provide final approval for the work schedule and qualifications of the assigned person/personnel.

EMS Billing and Collection Services.

The City requires a contractor to provide a program that is seamless, utilizes modern billing and payment application technology and customer service practices while demonstrating compliance with the Health Insurance Portability and Accountability Act (HIPAA) requirements for privacy, security, and electronic data transmission standards and other applicable Federal and State regulations.

Optional Services

The bid specifications included several optional services listed as follows:

1. Surge Ambulance services to be billed on a per occurrence basis. The option would be a new service addition that would augment daily emergency medical operations during peak times. It is estimated that based upon our simultaneous call experience the option would be exercised ten to fifteen times per year. Associated costs would be re-captured through EMS billing.
2. Special Event Ambulance services to be billed on a per occurrence basis. The option is currently in place today and it is implemented approximately 60 hours per year. Associated costs are typically re-captured through Special Event billing.
3. Disaster Ambulance Support services to be billed on a per occurrence basis. The option is currently in place today and it has not been used within the past five years. It is a contingency for the delivery of services during a disaster and associated costs would be re-captured through EMS billing and/or disaster recovery funds.
4. Ambulance Vehicle Rental for use when excessive vehicle breakdowns occur. The option is currently in place today and it has been used twice within the past five years at no cost to the City. It is a contingency for the continued delivery of services and moving forward associated costs may be re-captured through vehicle insurance if applicable (i.e. vehicle accident).
5. Full-time EMS Manager which is no longer required due to the recent hiring of the EMS/Community Risk Reduction Manager.
6. Mediacor Program for alternate transport options at an additional, average monthly cost of \$8,700.00. The option would be a new service addition that would require further analysis and will be presented at a future date to the City Council for consideration.
7. One full-time Social Worker at an additional, average monthly cost of \$13,700.00. The option would be a new service addition that would require further analysis and will be presented at a future date to the City Council for consideration.

Proposal Results

Proposals were received from the following vendors:

- Wheaton Firefighters Union IAFF Local 3706
- Kurtz Paramedic Services, Inc.
- Metro Paramedic Services, Inc.

Service	Year	Kurtz Paramedic Services, Inc	Metro Paramedic Services, Inc.	Wheaton Firefighters Union, IAFF Local 3706 (1)
Paramedic Staffing and EMS Billing Services	1	\$ 1,952,500.00	\$ 1,962,960.53	\$ 1,701,030.00
Paramedic Staffing and EMS Billing Services	2	\$ 1,958,865.00	\$ 2,020,689.35	\$ 1,874,989.00
Paramedic Staffing and EMS Billing Services	3	\$ 2,016,166.45	\$ 2,080,138.43	\$ 2,017,991.00
Paramedic Staffing and EMS Billing Services	4	\$ 2,075,172.30	\$ 2,141,359.26	\$ 2,167,744.00
Paramedic Staffing and EMS Billing Services	5	\$ 2,135,933.53	\$ 2,204,404.89	\$ 2,333,328.00
Total		\$ 10,138,637.28	\$ 10,409,552.46	\$ 10,095,082.00

(1) Wheaton Firefighters Union, IAFF Local 3706 did not provide a bid for EMS Billing and Collection Services

Evaluation Process

In the initial phase of the evaluation, a cost analysis and copies of each RFP were forwarded to the Evaluation Committee (Committee) for individual review against evaluation criteria set forth in the RFP. Following individual reviews, Committee members met to discuss findings. Additional information was requested, in writing, from all three Vendors in order to clarify the content of their proposal and to ensure a full and complete understanding of each proposal. This information was reviewed by the Committee to determine recommendations for further evaluation. The analysis concluded the following:

1. The IAFF Local #3706 proposal meets very few, if any, of the qualification requirements set forth in the RFP and contains more significant substantive deviations than any of the other proposals. Consequently, City staff does not recommend the Wheaton Firefighters IAFF Local 3706 proposal.
2. The Kurtz Paramedic Services, Inc. proposal complies with the operational qualifications. However, it does not comply with the insurance requirements set forth in the City's RFP specifications because Kurtz Paramedic Services, Inc. combines occurrence and claims based insurance coverages to achieve the City's minimum coverage requirements. The specifications stated that all insurance coverage must be occurrence based unless no other responsible bidder offered occurrence coverage. City staff believe that the non-compliance exposes the City to unnecessary, additional potential risk. Consequently, City staff does not recommend the Kurtz Paramedics Services, Inc. proposal.
3. The Metro Paramedic Services Inc. proposal complies with both the operational and insurance requirements set forth in the specifications.

Budget Impact

The first-year annual contract cost is \$1,962,960.53. These services are budgeted in the CY2020 General Fund – Fire Medical\Rescue Organization, Contractual Service account in the amount of \$1,405,000.00. Staff will be conducting a fee analysis after implementation of the agreement to ensure that EMS billing

fees align with the City Council's Policy of utilizing 90% of EMS billing revenue to offset EMS operational expenses.

Recommendation

Based upon the analysis, staff recommends that the City Council adopt the resolution authorizing the execution of Agreement #117 for Paramedic Services and Emergency Medical Services (EMS) Billing Services with Metro Paramedics, Inc., for a five (5) year term and a total amount not to exceed of \$10,409,552.46.

The master Agreement will include the following optional services: Surge Ambulance; Special Event Ambulance; Disaster Ambulance Support; Social Worker (future implementation); Medicar Program (future implementation) and Ambulance Vehicle Rental. Most of the aforementioned options are billed on a per occurrence basis and will be subject to cost recovery (except Ambulance Vehicle Rental in most cases) in the event they are exercised. The concept of a full-time Social Worker and Medicar Program will be presented at a future date to the City Council for consideration. The Social Worker and Medicar Program option is incorporated into the master Agreement for contract efficiency purposes and would not be billed unless implemented.

The agreement with its exhibits, including the RFP package and vendor responses, are on file in the City Clerk's office and available for review.

RESOLUTION NO. R-2020-

A RESOLUTION AUTHORIZING THE EXECUTION OF CITY AGREEMENT NO. 117 WITH METRO PARAMEDIC SERVICES, INC. FOR PARAMEDIC SERVICES AND EMERGENCY MEDICAL SERVICES (EMS) BILLING SERVICES FOR A TERM OF FIVE (5) YEARS FOR A TOTAL AMOUNT NOT TO EXCEED \$10,409,552.46, PLUS PRICING FOR PER OCCURRENCE BASED SERVICES, AND AUTHORIZING THE EXECUTION OF EXHIBIT C (BUSINESS ASSOCIATE AGREEMENT) TO AGREEMENT NO. 117

WHEREAS, the City of Wheaton, Illinois ('City') is an Illinois Home Rule Municipality pursuant to provisions of Article VII, Section 6, of the Illinois Constitution of 1970, and as such the City may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, the subject matter of this resolution pertains to the government and affairs of the City and its residents; and

WHEREAS, the City prepared a Request for Proposals (RFP No. 19-99) for the provision of paramedic services and emergency medical services (EMS) billing services in the City of Wheaton; and

WHEREAS, the City reviewed responses to the City's Request for Proposals from two potential vendors who provide paramedic services and emergency medical services (EMS) billing services and from one potential vendor who submitted a proposal for paramedic services only; and

WHEREAS, the City narrowed its analysis to two vendors, Kurtz Paramedic Services, Inc. and Metro Paramedic Services, Inc.; and

WHEREAS, the City identified that Kurtz Paramedic Services, Inc. did not meet minimum specifications set forth in the Request for Proposal documents; and

WHEREAS, Metro Paramedic Services, Inc. submitted a cost proposal to the City for the provision of paramedic services and emergency medical services (EMS) billing services for five (5) years for a total amount not to exceed \$10,409,552.46 (\$1,962,960.53 for year 1; \$2,020,689.35 for year 2; \$2,080,138.43 year 3; \$2,141,359.26 for year 4; and \$2,204,404.89 for year 5) plus occurrence based pricing for special event ambulance staffing, disaster ambulance support, surge ambulance, and ambulance vehicle rental, as set forth in its proposal which is incorporated into Agreement No. 117 as Group Exhibit B; and

WHEREAS, the City has determined it to be in its best interests and in that of its residents, to enter into an agreement with Metro Paramedic Services, Inc., to provide paramedic services and emergency medical services (EMS) billing services; and

WHEREAS, Paramedic Billing Services, Inc. is an affiliate company of Metro Paramedic Services, Inc., and will be providing the emergency medical services (EMS) billing services pursuant to City Agreement No. 117; and

WHEREAS, the Business Associate Agreement attached to and incorporated by reference into Agreement No. 117 as Exhibit C, establishes the necessary relationships and responsibilities between the City and Paramedic Billing Services, Inc. with regard to Protected Health Information in performance of Agreement No. 117; and

WHEREAS, the City and Metro Paramedic Services, Inc. agree to the terms and conditions set forth in the Agreement for Paramedic Services and Emergency Medical Services (EMS) Billing Services and the City and Paramedic Billing Services, Inc., agree to the terms and conditions of the Business Associate Agreement attached to and incorporated into Agreement No. 117 as Exhibit C.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of Wheaton, Illinois, that:

- (1) the Mayor is authorized to sign and the City Clerk is hereby directed to attest to City of Wheaton Agreement No. 117 with Metro Paramedic Services, Inc., 395 W. Lake Street, Elmhurst, IL 60126-1407, for a term of five (5) years in an amount not to exceed \$10,409,552.46, plus occurrence based pricing for special event ambulance staffing, disaster ambulance support, surge ambulance, and ambulance vehicle rental services as set forth in Group Exhibit B to City of Wheaton Agreement No. 117; and that a copy of that certain City of Wheaton Agreement No. 117 is on file with the City Clerk's office as **Exhibit A** to this Resolution R-2020-_____ and is hereby incorporated into this Resolution as if fully set forth herein; and
- (2) the Mayor is authorized to sign and the City Clerk is hereby directed to attest to the Business Associate Agreement with Paramedic Billing Services, Inc., an affiliate company of Metro Paramedic Services, Inc., 395 W. Lake Street, Elmhurst, IL 60126-1407; and that a copy of that certain Business Associate Agreement is attached to City of Wheaton Agreement No. 117 which is on file with the City Clerk's office as **Exhibit A** to this Resolution R-2020 _____ and is hereby incorporated into this Resolution as if fully set forth herein; and
- (3) the Wheaton fire chief is hereby given authority to undertake any acts reasonably necessary to implement and manage the Agreements.

ADOPTED this 16th day of March 2020.

Mayor

ATTEST:

City Clerk

Roll Call Vote:

Ayes:

Nays:

Absent: