



City of Killeen

Legislation Details (With Text)

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Title: Consider a memorandum/resolution to enter into an agreement with LifeQuest Services - Life Line Billing Systems, LLC for emergency medical services billing.
Sponsors: Finance Department
Indexes:
Code sections:
Attachments: 1. Council Memorandum, 2. Contract, 3. Certificate of Interested Parties

Date	Ver.	Action By	Action	Result
2/28/2017	1	City Council	Approved	Pass
2/21/2017	1	City Council Workshop		

Consider a memorandum/resolution to enter into an agreement with LifeQuest Services - Life Line Billing Systems, LLC for emergency medical services billing.

AGENDA ITEM

Emergency Medical Services (EMS) Billing Request for Qualifications (RFQ)

ORIGINATING DEPARTMENT

Finance

BACKGROUND INFORMATION

The City of Killeen employs six full-time EMS Billing personnel with an annual operating budget of approximately \$240,000. The department processes billing for the Fire Department that averages 17,000 EMS calls annually. In a continued effort to identify efficiencies, an analysis was performed to assess the viability of outsourcing the billing function. The results of the analysis showed that outsourcing had the potential to enhance customer service and increase revenues at a lower operational cost. An RFQ was issued and six proposals were received. The firms that submitted a proposal include Digitech, EF Recovery, Intermedix, LifeQuest Services, PST Services, and Wittman Enterprises.

DISCUSSION/CONCLUSION

A six-member committee reviewed the proposals and narrowed the list to four finalists. The proposals were rated using the criteria:

EMS Billing Technique - Ability to effectively bill all EMS calls in accordance with applicable laws and

regulations.

EMS Patient Care Reporting System - Ability to fully integrate with the City's electronic patient care reporting system.

Fire Service Fee Recovery Technique - Ability to effectively bill all Fire Service Fees with applicable laws and regulations.

Fire Service Fee Recovery Reporting System - Ability to fully integrate with the City's system.

Reporting Features - Ability to meet all city and Texas Department of State Health Services reporting requirements.

A subcommittee then contacted and evaluated the references of the finalists. Of those that were evaluated, LifeQuest Services was selected as the most advantageous. The company has 24 years of experience and currently provides billing services to more than 230 clients across 21 states. LifeQuest Services also has an established interface with the City's current electronic patient care reporting system. They will provide first level support for patient inquiries with live telephone hours from Sunday 4:30 PM through Friday 5:30 PM CST. The firm also offers patients the ability to pay online and by phone, as well as by mail. In addition, LifeQuest will provide initial, ongoing, and proactive on-site training to our Fire EMS personnel to ensure the City's processes are operating at an optimum level. The firm's estimated transition timeline is 30 days.

FISCAL IMPACT

LifeQuest will process patient bills and collect payments. Payments received by LifeQuest are available to the City on the following business day. They will provide weekly and monthly reconciliation reports. The City will pay LifeQuest 4.6% of the amount collected by the firm.

The industry standard for EMS billing collections is 65% of the net amount billed (total billed less insurance write-offs). In FY 2016, the EMS Billing Department collected 60% of the net amount billed. Assuming a net amount billed of \$5 million, if LifeQuest collected at the same 60% rate, the City would earn an additional \$102,000 due to the firm's fees being lower than our in-house operational costs. If LifeQuest collects at the 65% industry average level, the City would net \$340,500 additional revenue.

RECOMMENDATION

Staff recommends that the City Council approve entering into the agreement with LifeQuest Services - Life Line Billing Systems, LLC to provide EMS billing services and that the City Manager or designee be expressly authorized to execute any and all changes to this contract within the amounts set by state and local law.