



# City of Killeen

## Legislation Text

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**File #:** RS-22-080, **Version:** 1

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Consider a memorandum/resolution to award RFP #22-14, Emergency Medical Services Billing and Fire Service Fee Recovery, to LifeQuest Services in the amount of 4.0% of net revenues collected.

**DATE:** June 21, 2021

**TO:** Kent Cagle, City Manager

**FROM:** Jonathan Locke, Executive Director of Finance

**SUBJECT:** Award RFP #22-14 for Emergency Medical Services (EMS) Billing and Fire Service Fee Recovery

### **BACKGROUND AND FINDINGS:**

The City of Killeen employs 239 Fire/EMS officers, operates eight fire stations, and has nine ambulance crews. The facilities are staffed twenty-four hours a day, seven days a week. The City averages 22,000 EMS calls and 11,000 fire responses annually.

Since 2017, LifeQuest Services has billed and collected for emergency medical services provided by the City. The initial term of the contract was for two years, with the option to renew three additional one-year terms. The current contract ends July 1, 2022.

A request for proposal (RFP) was issued for emergency medical services billing and fire service fee recovery. The City has not billed for fire service fees consistently and can now electronically transmit fire recovery costs through the same software used for emergency medical services. Fire service fees are authorized by the Killeen Code of Ordinances, Article VIII. Fire Service Fee Recovery. The ordinance authorizes the Fire Department to bill for reasonable costs related to the use, loss, damage, and wear to fire department apparatus, tools, equipment, and materials necessary to provide fire services and 911 response to a person involved in an emergency incident. The schedule of fire service fees is found in Section 11-154 of the Killeen Code of Ordinances.

A total of five firms submitted a proposal, including 1) Air Methods Corporation dba Cypheron Healthcare Solutions, 2) Ambulance Medical Billing, 3) Change Healthcare LLC, 4) LifeQuest Services, and 5) Quick Med Claims.

An eight-member committee rated the proposals with a maximum score of 100 using the following criteria:

- Experience - 15 points
- EMS Billing & Fire Service Fee Recovery Process - 25 points
- EMS Billing & Fire Service Fee Recovery Reporting System - 25 points

- References - 15 points
- Cost - 20 points

The committee then scheduled a presentation and conducted an interview of the two highest rated firms. LifeQuest Services was selected as the best firm. The company has 30 years of experience with 230 clients across 24 states in that time. LifeQuest Services has an established interface with the City's current electronic patient care reporting system. LifeQuest offers patients the ability to pay online, by phone or by mail. The online web portal will be available 24 hours a day, seven days a week. LifeQuest will provide first level support for patient inquiries with live telephone hours from Monday 12am through Friday 8pm CST. In addition, LifeQuest will provide initial, ongoing, and proactive on-site training to our emergency medical service personnel to ensure the City's processes are operating at an optimum level.

Under the terms of the current agreement with LifeQuest, the City pays a fee of 4.6% of the net revenues collected for emergency medical services billing. Under the terms of the new agreement, the City will pay a fee of 4.0% of the net revenues collected for emergency medical services billing and fire service fee recovery. The initial term of the agreement is for two years, with the option to renew three additional one-year terms.

### **THE ALTERNATIVES CONSIDERED:**

- 1.) Do not award RFP #22-14 and initiate another request for proposal.
- 2.) Do not award RFP #22-14 to LifeQuest and negotiate with the next highest-ranking proposal.
- 3.) Award RFP #22-14 to LifeQuest.

### **Which alternative is recommended? Why?**

Staff recommends alternative 3, to approve the agreement. Fire and Finance Department staff have been pleased with their service over the past five years. Their experience and track record were strong compared to the other respondents.

### **CONFORMITY TO CITY POLICY:**

This agreement is in compliance with City purchasing policies.

### **FINANCIAL IMPACT:**

#### **What is the amount of the expenditure in the current fiscal year? For future years?**

The City will pay LifeQuest 4.0% of the net revenues collected by the firm.

Estimated net revenues to be collected in FY 2022 are \$3,581,270 and the associated collection fee is estimated to be \$164,738 at the current rate of 4.6%. If this agreement is approved, it could result an estimated savings of \$5,372. This is due to the collection fee being reduced from 4.6% to 4.0% for July through September 2022. The annual savings from the rate reduction from 4.6% to 4.0% in FY 2023 is estimated to be \$21,900.

Expenditures for the next two fiscal years are estimated to be:

- FY 2023 - \$146,000 annually from \$3,650,000 net revenues collected.

- FY 2024 - \$148,801 annually from \$3,720,032 net revenues collected.

**Is this a one-time or recurring expenditure?**

Recurring

**Is this expenditure budgeted?**

This expenditure is budgeted in the General Fund Finance account, 010-2020-415.50-95.

**If not, where will the money come from?**

N/A

**Is there a sufficient amount in the budgeted line-item for this expenditure?**

Yes

**RECOMMENDATION:**

City Council award RFP #22-14, Emergency Medical Services Billing and Fire Service Fee Recovery, to LifeQuest Services in the amount of 4.0% of net revenues collected and authorize the City Manager or designee to execute changes orders as allowed by state and local law.

**DEPARTMENTAL CLEARANCES:**

Finance  
Fire  
Legal

**ATTACHED SUPPORTING DOCUMENTS:**

Agreement  
1295