

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: April 21, 2008
Reviewed by: *BP*

SUBJECT: Emergency Medical Services Billing Contract

REPORT BY: Fire Chief Marc McGinn

STAFF RECOMMENDATION

Authorize the City Administrator to enter into an agreement for Emergency Medical Services (EMS) billing services with the Novato Fire Protection District (NFPD) effective July 1, 2008.

BACKGROUND

The City of Albany began billing for ambulance calls in the early 1980s. During this time the City contracted with a locally owned EMS billing company, Allied Information and Services (AIS), located in Oakland. AIS provided billing services for a number of fire agencies in California. As recent as 2005 AIS was bought out by ADPI, a nationwide billing company based in Miami, Florida. ADPI has continued to provide the billing service under the original terms of our agreement with AIS; however there is no longer the same relationship we had with AIS officials, nor the quality of service we received under the original company of AIS.

DISCUSSION/ANALYSIS

With the goal of upgrading the quality of our EMS billing to obtain greater accuracy and to ensure maximum collection of fees for services performed, staff researched and evaluated alternative to continuing ADPI services. A potential alternative is to perform the billing in-house; however, because there is specialized knowledge required to perform this billing function, there are economies of scale in process a larger volume of transaction, and our volume is well below the point where economies of scale come into play. The only alternative we found for local billing service was the Novato Fire Protection District (NFPD). NFPD, a former client of ACPI, NFPD began billing in-house in 2005. NFPD estimated in-house billing would be more cost efficient, increase collectables, and ultimately would improve quality control. NFPD currently has two employees performing EMS billing for the District, and NFPD currently provides EMS billing services for City's of San Rafael and Corte Madera fire departments.

NFPD has proposed to the City of Albany Fire Department to perform all billing services currently performed by ADPI for a fee of 4% of collections, as compared to the 8.5%

charged by ADPI. NFPD can accommodate an additional 3000 billings per year and can easily absorb Albany's 1000 annual EMS billings.

FINANCIAL IMPACT

ADPI currently charges 8.5% on all bills collected. For the fiscal year 06/07, ADPI collected \$481,883 for the City. The City paid ADPI \$40,960 for the billing service for this period. NFPD offers the same service, with better quality control, and to their estimation a better collection rate, for a 4% charge on all bills collected. The City of Albany would save over \$21,000 per year on EMS billing services if contracted with NFPD.