



### **Agenda Action Form Overview**

The Board is requested to authorize the County Manager to execute a service contract with EMS/MC for the EMS billing and collection services for the County. The contract period will be July 1, 2019 through June 30, 2020 (e.g., fiscal year 2020).

### **Background/Justification**

The County performed EMS billing and collections services in-house until the end of fiscal year 2015. The County went out for bid for these services in fiscal year 2015 and awarded the EMS billing and collection services to Intermedix, Inc. (IMX) effective July 1 of fiscal year 2016. During the County's four years with IMX, we have not seen the revenue growth that was initially projected. In addition, there have been other issues (e.g., customer service, debt set off filing and reporting, micro-management, etc.). As a result, EMS and Finance staff as well as the Manager's Office thought that it was time that the County went out for bid again for the provision of EMS billing and collection services.

EMS/MC's headquarters is located in Winston-Salem, NC. The company began in North Carolina, and while North Carolina continues to be their biggest client base, they now have a presence in 19 states. They also have signed approximately 50 new clients in the last three years. 53 of the 100 counties in North Carolina utilize EMS/MC as their EMS billing and collection services provider. Two (2) of the five (5) counties in the Large City/County Finance Officers Association are current clients of EMS/MC (e.g., Forsyth and Guilford). EMS/MC processes over 1.6 million claims for their clients a year with approximately 600 thousand of these being annual transports for their NC agencies. They are experts in the North Carolina Debt Set Off Program and have experience with NC Medicaid Reform & NC Tracks, Palmetto MAC and North Carolina Medicaid Cost Reporting. EMS/MC is also an active member of the North Carolina Association of EMS Administrators (NCAEMSA).

EMS/MC owns their software (e.g., not purchased from a 3<sup>rd</sup> party). They have developed a multi-step claims management process with a focus on automation that minimizes human "touch points" and increases approved claims. "EMSmart" is EMS/MC's proprietary intelligent billing/workflow platform that is a rule-based processing engine that aids in the determination of claim level of service and priority and is also the intersection of technology and human judgement to ensure an accurate and compliant coding process. "EMSurance" is one of EMS/MC's innovative billing technologies that provides an automated process to collect patient information by aggregating multiple channels into one process. Ensuring complete and accurate information on every claim, prior to sending a bill, reduces the likelihood of a claim denial or returned mail, and significantly accelerates payments. In addition, if patient signatures are not acquired at the time of service, EMS/MC has "EMSign", a signature wizard, whereby authorized parties can submit a digital signature online in the patient portal. EMS/MC has a 99% "quality assurance/clean claim rate" (e.g., claim being accepted the 1<sup>st</sup> time billed).

"EMSight" is their business intelligence web portal (e.g., client BI portal). It has drill down capability as well as dashboard reporting. Statistics and data are maintained for various reporting purposes (e.g., financial, crew performance/analysis, services provided, etc.). In addition, County staff will have access to the system to directly input notes on a patient account, etc. which will



increase efficiency. (Note: Currently, County staff must contact the current vendor and provide the information which is then input onto the patient account.)

As one of their payment options, EMS/MC also offers EMSecurePay where patients can make payments in full or set up a payment plan to pay the remaining balance on their online patient portal.

In addition, EMS/MC offers training both on-site and online. The on-site training is provided as needed. Their “EMScholar” education portal provides up-to-date content verified by industry experts at Page, Wolfberg & Worth, and is available for all staff with 24/7 access. Once completed, staff will receive a certificate of completion and earn 3 CEU’s of continuing education in the State of North Carolina.

EMS/MC also have an annual conference, EMSpire, that provides clients with a full day of industry updates. Attendees of EMSpire earn 3 CEUs for the State of North Carolina for their continuing education.

All the above is included in the quoted management fee of 4.25% of net revenues collected as well as no charge for privacy notice mailings. There is also a one-time fee for the HDE hospital interface development of \$2,495.00.

Also, included in the management fee is the conversion of the legacy data. Most vendors who provide EMS billing and collection services prefer not to convert the legacy data to their system. They prefer to start new with billing and collections and leave the legacy data with the current provider. This is what occurred when the County went with IMX. They started new and the legacy data remained in the County’s 3<sup>rd</sup> party software (from the in-house billing and collections), AIM. County staff have continued to “work” the collections of the patient account balances in the AIM system (which no longer has maintenance support). To start new at this point with another vendor and have Durham County EMS patient accounts and activity in three different systems was not preferable to County staff. The County would have data activity in-house with AIM, with IMX and now with a new vendor and have data archived in three different systems as well. EMS/MC agreed to convert the legacy data from both the AIM system and IMX into the County’s account in their software. This also means that the County can eliminate the AIM system and any and all costs related to that system, and all of the County’s data will be in one software and archived in one software. EMS/MC will also “work” the old accounts from the legacy systems for collection. However, because these accounts are so old, collection on these accounts becomes more of a challenge, and the older they get, the harder to collect. For their efforts in trying to collect on these old accounts, they proposed an alternative management fee of 7.5% of net revenues collected on old legacy accounts (e.g., 3.25% more than percentage on new accounts billed in their system). County staff agreed that this was reasonable. Providing EMS/MC with 3.25% more of net revenues collected on the old legacy accounts means that the County is receiving 92.5% of these net revenues. 92.5% of something is better than 100% of nothing.

Also, included in EMS/MC’s proposal submitted at no additional cost is advocacy. EMS/MC has an Advocacy Liaison who retired as Chief of NC Office of EMS. The Advocacy Liaison’s role is



to drive advocacy and compliance policies. The Advocacy Liaison’s presence at the local, state and federal regulatory affairs give all their clients “a seat at the table” in legislative matters. A few of their advocacy accomplishments are:

- Millions of dollars of unnecessary overpayments have been overturned due to the appeal efforts of EMS/MC
- Representation at AAA and NAEMT’s Legislative Events such as EMS on the Hill in Washington, D.C.
- EMS/MC with the NCAEMSA hosted the 1<sup>st</sup> Annual NC EMS Day at the Capital in Raleigh
- Advocating for reimbursement methodology for Mobile Integrated Healthcare (MIH), and Community Paramedicine programs through government and alternative funding options
- Leading Statewide Medicaid Reformation with constant fact sheets to our clients of the changes that will affect their reimbursement and service delivery
- Negotiation of Statewide Commercial Payor Contracts to increase reimbursement

Also, EMS/MC has MWBE participation. According to the proposal, EMS/MC will expend a minimum of 8.9% of the total dollar amount of the contract with an Asian American Female owned company, Technosoft Corporation, for payment posting. Unfortunately, the County cannot include this in our MWBE participation because this vendor is not MWBE Certified in North Carolina at this time. Staff is working with the vendor to assist them with becoming MWBE certified in North Carolina.

The implementation period will be from July 1<sup>st</sup> through August 31<sup>st</sup> of fiscal year 2020 with the go-live date of September 1, 2019. The County will continue billing and collection services with the current provider from July 1<sup>st</sup> through August 31<sup>st</sup>. As of September 1, 2019, the current vendor, IMX, will have a 120 day “wind down” period whereby they will collect on the accounts that they have billed up to August 31, 2019. (The rate with the current vendor is 5.4% and \$1 per privacy notice mailing.) At the end of the 120 “wind down” period, the legacy data will be converted to EMS/MC, and all activity with the current vendor will cease.

### **Policy Impact**

This request is consistent with current County policy and past actions. It does not require an exception to Board policy.

### **Procurement Background**

A Request for Proposal (RFP) was initiated by the EMS and Finance Departments to identify qualified and experienced vendors for the provision of EMS billing and collection services. The RFP was advertised on March 18, 2019 with responses due to the County April 5, 2019 by 2:00 PM. The RFP process was monitored by the Purchasing Division of Finance to ensure the process was transparent and free from vendor bias. Eleven (11) responses were received. The RFP included that a County representative would contact the most qualified firms to schedule a presentation to the evaluation committee. Eight (8) of the eleven (11) vendors were contacted with presentations scheduled and given to the evaluation committee. The evaluation committee consisted of seven (7) members (e.g., 4 EMS staff and 3 Finance staff). Each member of the



evaluation committee independently reviewed and evaluated the proposals. The results being that all seven members selected EMS/MC as the vendor to provide the EMS billing and collection services for the County.

**Type of purchase**

- ☐ Goods
- ☒ Services
- ☐ Architect, Engineer or Surveyor Services
- ☐ Construction and Repair

**Did this request for purchase go through a bid process? Yes ☒ No ☐**

*Goods: Bids required if  $\geq$  \$30,000, BOCC approval if  $\geq$  \$90,000*

*Services: Bids required if  $\geq$  \$30,000, BOCC approval if  $>$  \$40,000*

*Construction/Repair work: Bids required if  $\geq$  \$30,000, BOCC approval if  $\geq$  \$500,000*

If yes, attach a copy of bid tab and the minority and women business enterprise (MWBE) compliance review form provided by the Purchasing Division.

If no, why?

- ☐ Sole source exemption
- ☐ Cooperative purchasing program exemption
- ☐ State and federal contract exemption
- ☐ Contract is an amendment to an existing contract
- ☐ Other (please explain)

**If exempted from bidding, has this request been reviewed and approved by the Purchasing Division in the agenda Legistar system? Yes ☐ No ☐**

If no, why?

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**Fiscal Impact**

EMS/MC is projecting an increase in collections for Durham County in excess of \$600K annually. This projection is based on the Durham County demographics provided by the County in the RFP and EMS/MCs current performance results with NC payors.

The EMS billing and collection services are currently being contracted with a vendor. There is a one-time fee for the HDE hospital interface development in the amount of \$2,495.00. The fees are based on a percentage of net collections (e.g., EMS revenues collected less refunds). Net revenue collections are the funding source. The percentage for net collections for billings



generated with the new vendor is 4.25% compared to the rate with the current vendor of 5.4%. The new vendor does not charge for the privacy notice mailings whereas the current vendor charges \$1 per privacy notice mailing. The new vendor will charge a fee of 7.5% of net collections of the aged accounts billed on the legacy system (e.g., only 2.1% more than the 5.4% currently charged by the current vendor). However, it should be noted that the new vendor is including the conversion of the legacy data at no additional charge to the County and, after conversion, will continue to “work” these accounts for collection. Again, for these aged legacy account balances, the revenue source is the net patient account collections (e.g., monthly fees to the vendor are based solely on net revenue collections).

**Recommendation**

County staff and the County Manager recommends that the Board authorize the County Manager to enter into contract with EMS/MC for EMS billing and collection services for the County.