

FIRE DEPARTMENT

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WAUKESHA, WISCONSIN 53188-5172
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Steven Howard, Acting Chief
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November 20, 2015

Mr. Joe Pieper, Chairman
Finance Committee
1011 W. Glenn Drive
Waukesha, WI 53188

**SUBJECT: NEW AGREEMENT WITH ANDRES MEDICAL BILLING, LTD.
FOR EMS BILLING SERVICES**

Dear Chairman Pieper:

The Finance Department and Fire Department is seeking the approval of the Finance Committee and the Common Council to enter into a new contract with Andres Medical Billing that will reduce the fee for services from 5% to 4.65% of all fees collected. The new agreement would become effective January 1, 2016.

As you are aware, the Finance and Fire Departments have been working closely with our billing company to analyze our fee structure and collection policies. Earlier this year, the Common Council approved a soft collection policy for city residents along with a restructuring of our fee schedule to better reflect the usual and customary payments made by insurance companies. As part of the discussions with Pat Mannix, the Chief Executive Officer of Andres Medical Billing, they voluntarily offered to reduce their fee for services if the city implemented the new fee schedule along with a soft collection policy.

Our new billing policy and rates went into effect October 1, 2015. Following the adoption of our new policies and fees, staff from the Finance Department, City Attorney's Office and Fire Department have met to review all aspects of our billing and collection policy. It was strongly recommended by all departments that we renew a contract with Andres Medical Billing at the lower rate. We are currently in the fourth year of a five-year agreement. The new agreement would be a one-year agreement that automatically renews annually.

As in all past contracts with billing services, the city has the ability to terminate the contract at its discretion with 90 days notice. An informal survey of area Fire Departments has found that Andres fees for service are below the rates charged by other providers. Fire Department staff has also been very satisfied with the services provided to our community.

Attached you will find a copy of our new agreement which has been reviewed and approved by City Attorney Brian Running.



**NEW AGREEMENT WITH ANDRES MEDICAL BILLING, LTD.
FOR EMS BILLING SERVICES**

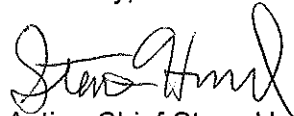
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Representatives from both the Finance and Fire Departments will be present at the December 1, 2015 meetings to answer any questions or provide additional information.

If you have any questions, please do not hesitate to contact me at (262) 524-3649.

Sincerely,



Acting Chief Steve Howard

attachment





This Agreement is entered into as of January 1, 2016 between the City of Waukesha Fire Department, hereinafter referred to as Waukesha and Andres Medical Billing, Ltd., hereinafter referred to as AMB.

WHEREAS, Waukesha has determined that it is in their best interest to retain the services of an outside billing service to collect monies for services rendered by Waukesha.

WHEREAS, AMB does hereby hold itself as being ready and able to perform a billing service program as described herein.

NOW, THEREFORE, in consideration of the aforementioned promises and mutual covenants and promises stated herein, the parties hereby agree as follows:

1. AMB shall provide a separate and complete Accounts Receivable program within AMB's computer billing system for the exclusive purpose of collections for Waukesha.

AMB will enter into said computer billing system, any and all ambulance trips received from Waukesha. AMB shall abstract, from the documentation provided by Waukesha, all diagnosis and procedure information necessary to determine the level and type of service provided, any billable diagnostic and therapeutic procedures performed, any billable supplies and ancillary services rendered, and the appropriate diagnosis codes to be billed for all ambulance run information provided by AMB by the client for that purpose.

AMB will follow established billing industry guidelines, including those established by CMS, HIPAA, and various other government programs, for ambulance services. To ensure compliance, AMB will periodically audit, on a prospective and retrospective basis, a sample of Waukesha's billing and clinical records. Waukesha retains responsibility for providing accurate and complete documentation of clinical services provided. Waukesha understands that AMB will code only from the documentation provided.

2. AMB shall provide electronic billing of Medicare, Medicaid and Insurance claims, when applicable. It is the responsibility of Waukesha to inform Medicare and Medicaid of any changes in the company's status.

3. AMB will bill any and all appropriate commercial or third party payers as directed by Waukesha.
4. AMB will invoice all patients and all supplemental private pay patients as directed by Waukesha and as required by the Federal Medicare Program.

Payment invoicing will be done on a billing form specific for Waukesha. Invoicing/ collection activities will be conducted on the following schedule:

1st invoice	within 3 days of receipt
Insurance request	30 days after 1 st invoice
Automated phone call	20 days after previous request
2 nd invoice	10 days after phone call
Final notice	20 days after 2 nd invoice
Collections or W/O review	30 days after final notice

Collection agency or write off if no results from above as pre-determined by Waukesha.

5. All monies received by AMB on behalf of Waukesha will posted to the patients' accounts on a weekly basis and mailed to Waukesha on a monthly basis. All checks will be made payable to Waukesha. It is the responsibility of Waukesha to notify AMB (on any payments received at Waukesha) within seventy-two (72) hours of all payments, correspondence, explanation of benefits, etc. relating to the services heretofore described.
6. AMB will maintain 800-phone service for the purpose of run sheet and payment submission. This line will be available 24 hours a day.
7. AMB will promptly respond to all Waukeshas' service recipient concerns related to all billing practices conducted herein.

AMB will maintain an 800-phone line for the purpose of customer service. This line will be staffed Monday through Friday from 8:30 am to 7:30 pm Central time.
8. AMB shall comply with all Federal and State regulations, ordinances and procedures governing ambulance collections.

9. AMB will submit a monthly accounts receivable aging report by payer category, which will include identifying all uncollected receivables, a payment receipt journal recap, and a monthly ticket survey, detailing all of the transports billed from the previous month. It is the responsibility of Waukesha to verify these reports and provide AMB with any missing data. All reports currently within the software of AMB's billing system will be provided to Waukesha at no additional cost.
10. AMB shall recognize and comply with the right of authorized Waukesha representatives to review any and all payment records pursuant to claims and/or collection procedures conducted herein. Waukesha shall have the right to audit such reports at reasonable times.
11. Waukesha agrees to pay AMB in accordance with the following fee schedule for the aforementioned service for a term of one (1) year so long as this Agreement has not been terminated:
 - a. AMB shall be paid a fee of 4.65% of all payments collected.
 - b. Payments to AMB shall be based upon revenues received in the preceding month. AMB will provide a monthly billing to Waukesha calculating amounts owed to AMB based upon the above stated formula.
 - c. Failure to pay AMB within 30 days of the monthly bill may constitute immediate termination of the contract and possible legal action at the cost of Waukesha.
12. If Waukesha determines it is in their best interest to use a collection agency, Waukesha will deal directly with the collection agency regarding their fees.
13. It is expressly understood and agreed that AMB is an independent contractor who shall at all times maintain insurance in force as herein provided and AMB shall in all events defend and save and hold harmless Waukesha from any and all liabilities, obligations, debts, charges, or judgments arising from claims, injuries or debts, charges, or judgments arising from injuries or property damage claims attributable to the activities of AMB while engaged in the performance of its duties under this Agreement.
14. It is the sole determination of Waukesha as to fees for services that will be charged to its patients and/or facilities. Such fees should be based on fair market value.

15. This agreement shall be effective on the date hereof and shall remain in full force and effect for a term of one (1) year. Thereafter, this Agreement shall be automatically extended for successive one (1) year periods unless terminated as hereinafter set forth. All terms and provisions of this Agreement shall continue in full force and effect unless otherwise modified. Either party may terminate this agreement at any time by giving the other party ninety (90) days written notice. Notwithstanding the aforementioned, this agreement shall be subject to immediate termination by Waukesha if AMB fails to maintain insurance as in part 16.
16. AMB maintains Professional Liability, General Liability, Commercial Auto Liability and Workers Compensation. Each policy has a separate one million dollar coverage limit (\$1,000,000). AMB also maintains a two million (\$2,000,000) Commercial Umbrella policy.
17. If this contract is terminated prior to the (1) year agreement Waukesha allows AMB to continue collections efforts for a period of 6 months following the contract termination, unless other arrangements have been agreed to by both parties in writing. Waukesha understands that they will be responsible to pay AMB their commission on their collections during this time period in accordance with section 11(c).

Proper notice may be given by certified or registered mail to:

Patrick J. Mannix
Chief Executive Officer
Andres Medical Billing, Ltd.
3343 N. Ridge Avenue
Arlington Heights, IL 60004

OR TO:

At termination of the Agreement it is the responsibility of AMB to return to Waukesha any and all records and documents submitted to AMB, except as required by Federal Law.

IN WITNESS WHEREOF, the Responsible Party of Waukesha and the Director of Operations of AMB have executed this agreement.

**CITY OF WAUKESHA FIRE
DEPARTMENT**

ANDRES MEDICAL BILLING, LTD.

BY: _____

BY: _____

DATE: _____

DATE: _____