



AGENDA ITEM REPORT

DATE: February 18, 2020
DEPARTMENT: Public Safety
REQUESTER: Benjamin Abes
TITLE: Approve Piggyback for Billing of Patient Accounts for Emergency Medical Services

I. MOTION REQUESTED

- A. Approve Piggyback No. PB200090ANB to utilize pricing on the Brevard County Emergency Medical Services (EMS) Billing Services Contract Number: RMS159262 with Change Healthcare Technology Enabled Services, LLC, for the purchase of Emergency Medical Services (EMS) billing services, on an as needed basis, through the contract expiration date of September 27, 2022, and any renewals or extensions approved by Brevard County, as approved in the Department's annual adopted budget, in an amount not to exceed \$850,000.00 annually.
- B. Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.

II. ITEM SUMMARY

This item approves a piggyback of the Brevard County Emergency Medical Services (EMS) Billing Services Contract to provide EMS billing services from Change Healthcare Technology Enabled Services, LLC (formerly known as McKesson). Lee County currently uses Change Healthcare Technology Enabled Services for Emergency Medical Services (EMS) patient billing and switching to another vendor could cause an interruption to the revenue stream they manage. The vendor has agreed to hold rates for this piggyback term, which is three years with two one-year renewals, eliminating an anticipated increase in cost.

Annual revenues increased from \$16.8 million under the previous vendor in FY14/15 to \$21.5 million in FY15/16, and \$20.9 million in FY18/19 under the current vendor. The Department has also noted a significant decrease in customer complaints associated with management of customer accounts under Change Healthcare Technology Enabled Services. Expenditures during Fiscal Year 2019 were \$807,024.64. Expenditures in future years are not expected to exceed \$850,000.00 annually. An analysis of recent contracted market rates for this service across Florida demonstrated an increase to between 4 and 7 percent of net revenue.

III. BACKGROUND AND IMPLICATIONS OF ACTION

A) Board Action and Other History

Brevard County solicited a Request For Proposal P-7-19-06 that went through the competitive procurement process and negotiations for Emergency Medical Billing Services. This RFP included language allowing cooperative purchasing, or a piggyback, by other entities.

Change Healthcare Technology Enabled Services, LLC will provide management and oversight over all business support services as they relate to the billing of EMS services. Lee County currently uses Change Healthcare Technology Enabled Services, LLC, for Emergency Medical Services (EMS) billing services and switching to another vendor would require the reconfiguration of interfaces and systems to enable the timely and efficient billing of patient accounts. Disruptions to this process could cause an interruption to the revenue stream they manage. The interfaces in place are unique to each vendor, so no other vendors are available to accept the data in this manner.

The vendor has agreed to hold fees for the continued term under this piggyback. Those fees are 3.25 percent of net revenue collected by the vendor, and a fixed rate of \$8.50 per claim for Florida Medicaid and Medicaid Managed Care accounts. The Brevard County agreement has a rate of 3.45 percent of net revenue and \$8.50 per Medicaid claim; however, most contracts the Department has reviewed in the last two years in Florida have included escalations to between 4 and 7 percent of net revenue.

Annual revenues increased from \$16.8 million under the previous vendor in FY14/15 to \$21.5 million in FY15/16, and \$20.9 million in FY18/19. The Department has also noted a significant decrease in customer complaints associated with management of customer accounts under Change Healthcare.

B) Policy Issues

C) BoCC Goals

D) Analysis

Expenditures during Fiscal Year 18/19 were \$807,024.64. Expenditures in future years are not expected to exceed \$850,000, and will be directly correlated to ambulance revenues.

E) Options

IV. FINANCIAL INFORMATION

| | | |
|----|---|---------------|
| A) | Current year dollar amount of item: | \$850,000.00 |
| B) | Is this item approved in the current budget? | Yes |
| C) | Is this a revenue or expense item? | Expense |
| D) | Is this Discretionary or Mandatory? | Discretionary |
| E) | Will this item impact future budgets? If yes, please include reasons in III(D) above. | Yes |
| F) | Fund: General Fund Program: Public Safety Project: EMS Revenue Recovery Services Account Strings: KF5260100100.503190.733 | |
| G) | Fund Type? | General Fund |
| H) | Comments: Expenditures for this service are a percentage of collected revenues and fixed costs for Medicaid accounts; the estimated annual not to exceed amount for the next three years is \$850,000. | |

V. RECOMMENDATION

Approve

VI. TIMING/IMPLEMENTATION

VII. FOLLOW UP

ATTACHMENTS:

| Description | Upload Date | Type |
|---|-------------|-----------|
| RMS159578_Lee County_EXECUTABLE VERSION_2020_0116_rvb.pdf | 2/3/2020 | Agreement |

REVIEWERS:

| Department | Reviewer | Action | Date |
|-----------------|------------------|----------|----------------------|
| Public Safety | Turner, Nicole | Approved | 2/4/2020 - 10:18 AM |
| Public Safety | Abes, Benjamin | Approved | 2/5/2020 - 10:11 AM |
| Budget Services | Henkel, Anne | Approved | 2/5/2020 - 11:46 AM |
| Budget Services | Winton, Peter | Approved | 2/7/2020 - 8:40 AM |
| County Attorney | Swindle, Amanda | Approved | 2/7/2020 - 10:17 AM |
| County Manager | Brady, Christine | Approved | 2/10/2020 - 11:59 AM |