

**City of Culver City, California
Agenda Item Report**

Meeting Date: June 28, 2010		Item Number: <u>C-5</u>	
CITY COUNCIL AGENDA ITEM: FOUR FIFTHS VOTE REQUIREMENT - Approval of an Amendment to the Existing Professional Services Agreement with Wittman Enterprises, LLC for Ambulance Billing Services with a Related Budget Amendment.			
Contact Person/Dept.: Captain Rick Siler/Fire Department		Phone Number: (310) 253-5917	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☒ No ☐	
Public Hearing: ☐		Action Item: ☐ Attachments: ☐	
Commission Action Required: Yes ☐ No ☒		Date: _____	
Public Notification: (E-Mail) Meetings and Agendas – City Council (6/23/20)			
Department Approval: Christopher Sellers (6/16/10)		City Attorney Approval: Carol Schwab (by H. Baker) (06/23/10)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (06/23/10)		City Manager Approval: P. Lamont Ewell (06/23/10)	
<u>RECOMMENDATION:</u> Staff recommends the City Council (1) approve an amendment to the existing professional services agreement with Wittman Enterprises, LLC, extending the contract period four years, with an optional fifth year, for the management of ambulance billing; and (2) approve a related budget amendment. A budget amendment requires a four-fifths vote. <u>BACKGROUND:</u> Prior to August 1996, the Fire Department ambulance billing was conducted by the City of Culver City's Accounting Department. Collections were low due to the complexity of insurance codes and regulations. By contracting with Wittman Enterprises, LLC, (Wittman), Culver City effectively bills Medicare, Medi-Cal, and all other insurance carriers. Wittman is in its twentieth year of business. They bill for over 95 Cities, Counties, and Fire Districts across four states, processing over 300,000 transports per year. They provide service for twenty cities in Los Angeles County, including: Beverly Hills, Culver City, Burbank, El Segundo, Hermosa Beach, Manhattan Beach, Long Beach, Alhambra, Arcadia, Avalon, Glendale, La Verne, Monterey Park, West Covina, and many others.			

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The City of Culver City began contracting for ambulance billing service with Wittman in August of 1996. This contract was renewed for a period of three years in July of 2001, 2004, and again in 2007. This relationship has continued due to exceptional customer service to both the Fire Department and our patients alike. Their staff is both courteous and prompt to respond to all inquiries. Statistics and reports are provided periodically and upon request.

Contracting for ambulance billing with Wittman has been a successful partnership with the Culver City Fire Department. The net collection rate remains near 65% while their fee has been \$18 per transport, or approximately 4%, for the last six years. During the period Wittman has served the City of Culver City substantial revenues have been realized by the General Fund, while the costs remain below the industry norm.

In addition, as of July 1, 2010 the Los Angeles County Department of Health Services has authorized a 7.5% increase in ambulance transport rates and fees. Given the Fire Department's current emergency call volume this translates to an additional \$71,000 in revenue to the City's General Fund.

Due to our impending staff reductions, and a more competitive ambulance billing market, the Fire Department explored all billing contractors who would provide electronic patient care reporting technology to reduce workload and bundle it with their billing fees. Only those companies currently operating, and having offices within California, were solicited for proposals. In the end, Wittman still provided the best package at the lowest cost with the new terms.

Included in the new terms is the provision of Emergency Medical Service (EMS) Report Scanning technology in partnership with Recognition Solutions, Inc. (RSI) by Wittman for use by our firefighter/paramedics and staff. RSI provides EMS Report scanning systems for Santa Monica, Beverly Hills, Glendale, Los Angeles County Fire, and many others. This scanning application is a proven system that will increase documentation efficiency, speed collection of ambulance transport revenues, while greatly reducing administrative workload on our support personnel. Wittman agrees to absorb all costs and fees for any scanable report form products, yearly support, and software maintenance associated with RSI.

The Fire Department has been extremely pleased with the exceptional service Wittman has provided to the City of Culver City and our patients. We look forward to a continued relationship that functions well in our new economic climate.

Pursuant to Culver City Municipal Code Section 3.07.070.A, this professional services agreement may be approved without the necessity of formal competitive bidding, provided that, the agreement is based upon competitive quotations, whenever practical, from three vendor contractors. Based on the City's history with

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the company, as discussed above, the City Manager has determined that it is not practical to obtain competitive quotations.

FISCAL ANALYSIS:

Wittman currently charges the City of Culver City \$18 per EMS patient billed. This fee has remained the same for the past six years. In the new proposal their fee remains at the current amount for this fiscal year, with modest increases in years two through five.

The cost breakdown per transport for Wittman and RSI during this professional service agreement period is per the following:

	Wittman	RSI	Total
2010/2011	\$18 per transport	\$12.06 per transport	\$30.06
2011/2012	\$19	12.06	31.06
2012/2013	\$20	12.06	32.06
2013/2014	\$21	5.82*	26.82
2014/2015	\$21	5.82*	26.82

* Once the original RSI system cost outlaid by Wittman is recouped, this fee is reduced to the per entry amount charged by that vendor.

This amendment to the existing professional service agreement requires an enhancement of approximately \$28,000 over the previous amount (\$41,166) charged in Fiscal Year 2009/2010. Subsequent year's costs will be addressed in those budgets. Total costs per year of this agreement will be:

	Wittman	RSI	Total
2010/2011	\$41,166	\$27,581.22	\$68,747.22
2011/2012	43,453	27,581.22	71,034.22
2012/2013	45,740	27,581.22	73,321.22
2013/2014	48,027	13,310.34	61,337.34
2014/2015	48,027	13,310.34	61,337.34

These amounts may vary slightly depending on the exact number of ambulance transports by Culver City Fire Department units.

Funding for this RSI system enhancement exists in the City's Building Surcharge Fund of which a portion is designated for Fire Department use (Fund 412 – Building Surcharge) due to receipts received from Fire Permit Surcharges. If this enhancement is approved, funding will be appropriated in Emergency Medical Services Division 10145300.619800 – Other Contractual Services.

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MOTION:

That the City Council:

- 1) Approve an amendment to the existing professional services agreement with Wittman Enterprises, LLC extending the contract period for the management of ambulance billing and EMS Report Scanning Solutions by four years with an optional fifth; and,
- 2) Approve a budget amendment to appropriate funds from the Building Surcharge Fund (Fund 412) in the amount of \$28,000 to Account 10145300.619800 – Other Contractual Services; and,
- 3) Authorize the City Attorney to review/prepare the necessary documents; and,
- 4) Authorize the City Manager to execute such documents on behalf of the City.

A 4/5th vote is required to approve the budget amendment.