

January 15, 2008

**RE: Request for Proposal for
Medical Billing Services (File #08- 000004)**

Dear Prospective Bidder:

The City of Southfield, Michigan has issued this request for proposal to identify companies qualified to provide medical billing services for the City of Southfield Fire Department Emergency Medical Services Operation.

Bidders interested in submitting a reply must review the attached guidelines and respond by **Wednesday, February 6, 2008 at 2:30 pm local time.**

Enclose two copies of your response in a sealed envelope labeled with your company name and the statement "Request for Proposal for Medical Billing Services". This package must be delivered to the attention of the Purchasing Agent, c/o the City Clerk's Office, City of Southfield, P. O. Box 2055, 26000 Evergreen Road, Southfield, MI 48037-2055.

I can be reached at 248.796.5252 if you have any questions and look forward to receiving your proposal.

Sincerely,

Rae L. Townsel

Rae L. Townsel, CPPB
Purchasing Agent

SUPPLEMENTAL INSTRUCTIONS TO ALL PROPOSERS

1. **PROPOSAL DEADLINE:** In order for a proposal to receive consideration, it must be received prior to the specified time of opening as indicated on the proposal form. No proposals will be accepted after the time specified for proposal opening. The City reserves the right to postpone the proposal opening for its own convenience. Proposers should use the proposal documents furnished; failure to do so will be considered as an alternate offer and may be cause for rejection. Proposals are considered received when in possession of the City Clerk's office. It is the proposer's responsibility to ensure that proposals are received in the proper location.
2. **WITHDRAWAL:** No proposal will be withdrawn for 60 days from its opening date. Proposers may reduce this period if he states so in his proposal; however, he runs the risk of being declared non-responsive to the specifications.
3. **RIGHT TO REJECT:** The City reserves the right to waive any irregularity in any proposal, to split awards by items or lots (unless otherwise stipulated either in the specifications or by the proposer) or to award to other than the low proposer, should any of the foregoing be deemed in its best interests.
4. **CHANGE OF SPECIFICATION:** If for sufficient reason you wish to revise the specifications or get an interpretation, your request will receive consideration if presented to us as much in advance of the proposal opening date as possible. If a change in specifications is found desirable, the City will notify all proposers and postpone the proposal opening date, if necessary.
5. **MORE THAN ONE OFFER:** If a proposer has more than one product meeting the specifications, he is privileged to offer additional proposals subject to the same terms and conditions of original proposal form. Brand names are used to describe quality rather than preference except when "no substitute" is indicated.
6. **TO COMPLY:** For failure to deliver or perform in accord with the accepted proposal, the City may consider the contractor in default and take steps to protect the City's interest. The City may, without impairing its other rights and benefits, purchase all or part of the contract goods or services on the open market and charge any additional costs to the contractor or his surety.
7. **PATENTS:** Contractors will protect and indemnify against expense of any nature, will bear cost of any suits which may arise and will pay all damages which may be awarded against the City for the use, under this specification, of any patented device, process, apparatus, material or invention.
8. **ERRORS OR OMISSIONS:** Proposers are not permitted to take advantage of any errors or omissions in specifications since full instructions will be given should they be called to our attention not less than two working days before the proposals are due.
9. **LOWEST RESPONSIBLE PROPOSER IS ONE WHO:**
 - a. Submits no restrictions or qualifications beyond those permitted in the proposal request.
 - b. Have the skill, quality and ability to conscientiously, faithfully and promptly fulfill the contract to its letter and spirit.
 - c. Have integrity, judgment, reputation and experience.
 - d. Has sound financial resources as well as the ability to furnish any and all bonding and insurance documents required.
 - e. Is able to comply with all terms and conditions stipulated in the proposal requests.
 - f. Can show the intent and ability to cooperate efficiently and effectively with all Government departments involved in the contractual purchase or service.
 - g. Has the knowledge of applicable existing laws and ordinances of the City of Southfield necessary to provide smooth and efficient relations.
 - h. Has unquestionable ability to provide maintenance and service on the contractual items purchased.
10. **NON-COLLUSION CLAUSE:** By signing and submitting this proposal, proposer states that his proposal is genuine and not collusive or sham; such proposer has not colluded, conspired, connived, or agreed, directly or indirectly, with any proposer or person, to put in a sham bid, or that such other person will refrain from proposing and has not in any manner, directly or indirectly, colluded, conspired, connived, or agreed, with any person, to fix the price of affiant or any other proposer, or to fix any overhead, profit or cost element of said proposal price.
11. **NON-DISCRIMINATION CLAUSE:** By signing and submitting this proposal for consideration of an award by the City of Southfield, the contractor and any subcontractor covenants not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status or a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Breach of this covenant may be regarded as a material breach of the contract.
12. The City of Southfield, Michigan officially distributes bid documents from the Purchasing Department or through the **Michigan Intergovernmental Trade Network (MITN) at www.mitn.info**. The City of Southfield cannot guarantee the accuracy and is not responsible for any errors contained in any information received from alternate sources.

City of Southfield Request for Proposal for Ambulance Billing Services for the Fire Department

1. Purpose

- 1.1. The City of Southfield is accepting proposals from firms that specialize in providing ambulance billing services for the Emergency Medical Services operation of the Fire Department. The successful proposer will be required to enter into a contract for a three year contract with two, two-year renewal options.

2. Background

- 2.1. Southfield covers twenty-six (26) square miles, with a resident population of approximately 72,000 and a daytime population of over 200,000. In addition, Southfield is home to three major freeways and the busiest intersection (Telegraph and Twelve Mile Roads) in the area.
- 2.2. Southfield's Fire Department, the busiest in Oakland County, has approximately 11,000 runs annually.

3. Provider Responsibilities: The successful company must:

- 3.1. Perform the duties outlined under the "Scope of Services – Billing and Reporting sections.
- 3.2. Conduct training for end users as necessary for gathering and transmitting data.
- 3.3. Conduct informational sessions for management on billing related issues, industry changes, and government mandated procedures.
- 3.4. Comply with the privacy obligations applicable under the Health Insurance Portability and Accountability Act (HIPPA).
- 3.5. Provide detailed status reports reflecting billing activity and proceeds collected.
- 3.6. Be in compliance with the City's Living Wage Ordinance. A copy of this ordinance is attached for your review.

4. Scope of Services - Billing: The successful firm will be required to perform the following duties.

- 4.1. *Information Verification:* All patient/run sheet encounter information must be researched and verified upon receipt. The successful company will take every action (i.e. contact hospitals, patients, skiptracing, etc.) to obtain the necessary additional information to complete the billing transactions. Bidder will identify and update incomplete or inaccurate demographic and insurance information prior to billing. Bidder shall process each transport and treat a no-transport through the Medicaid eligibility system at Bidder's cost.
- 4.2. *Insurance Billing:* Medicare, Medicaid, Blue Cross Blue Shield and other commercial insurance claims will be transmitted on a daily basis. Complete ICD9 coding; procedure coding and medical terminology will be used. All accounts will be continuously monitored for any status changes. Secondary and tertiary insurance providers will be automatically billed upon receipt of initial payment, claim denial or as necessary based on the initial information gathered, claims processing, and appeal. Insurance Billing will include extensive front-end edits and emphasis on issuing clean claims to insurance carriers on the initial submission.
- 4.3. *Private Pay Billing:* Initial contact and commencement of the billing cycle with the patient or other responsible party will be made within 10 business days of receipt of the "run sheet" billing information from the Fire Department. Establish a follow-up billing

City of Southfield Request for Proposal for Ambulance Billing Services for the Fire Department

cycle at 30, 60, and 90-day intervals, at a minimum. All accounts will be monitored at each cycle change until the account is paid including payment plan arrangements.

- 4.4. *Follow-up Billing:* Bidder will conduct extensive follow-up with regard to Private-Pay and Insurance billing. This follow-up will include, but not limited to: following all County, State and federal mandated billing procedures, a minimum of three (3) re-billings, appeals, claims (but not litigation) against Probate estates and claims against Bankrupt estates. Bidder will use "positive" collection techniques" to work with and assist Private-Pay patients in satisfying their bill including the establishment of payment arrangements, and shall refrain from using threats and intimidation as a collection technique, strictly obeying all laws and regulations regarding applicable debt collection practices.
- 4.5. *Payment Collection:* All billings shall indicate that payments shall be made payable the City of Southfield and directed to bidders P O Box and promptly deposited into the City's owned and operated bank account.
- 4.6. *Payment and Reconciliation and Close Out Reports:* The Bidder shall receive all check and voucher information and then reconcile and post, all patient and insurance payments in a timely manner. The Bidder will establish procedures for checks returned for non-sufficient funds (NSF), to include crediting the City for commissions assessed for those checks and re-billing when Bidder is notified of the occurrence of the NSF check. Month-End closeout reports will include all payments, write-offs and adjustments posted within the month (patient and payer specific). Monthly bank deposits must exactly match the month-end-totals.
- 4.7. *Operational Reporting:* The Bidder shall provide operational reports to the City as identified in this RFP.
- 4.8. *Details of Billing and Collection Services:* The successful bidder must perform the following services.
 - 4.8.1. Initiate contact and commence the billing cycle with the patient or other responsible party within 10 business days of receipt of the "run sheet" billing information from EMS;
 - 4.8.2. Include in billing statements an insurance questionnaire to obtain information for accurate billing; return envelope for convenience; and provide a toll free telephone number and/or web access for immediate access to job site customer services billing representatives;
 - 4.8.3. Establish self pay follow-up billing cycle at 30, 60 and 90-day intervals, at minimum;
 - 4.8.4. Perform entry of payment and post disposition to the database;
 - 4.8.5. Request from the City all information required for operating the EMS Billing Services;
 - 4.8.6. Provide physical security to protect negotiable instruments and the confidentiality of data at the company's location and with all interfaces;
 - 4.8.7. Conduct the daily business of health care claim billing, filing appeals, responding to demands, updating and continuing to process claims that have not been responded to and making phone contact with self-pay patients for payment purposes in accordance with all applicable laws and regulations regarding collection procedures;
 - 4.8.8. Establish a working relationship with all hospitals receiving City EMS patients for the purpose of sharing and gathering information to enhance billing efforts;
 - 4.8.9. Advise the Fire Department with regard to trends and changes in laws, regulations, policies' and practices effecting emergency medical services relating to billing, including annual charge and reimbursement analysis.

City of Southfield Request for Proposal for Ambulance Billing Services for the Fire Department

- 4.8.10. Provide all supplies and services at bidder's sole cost and expense including but not limited to: paper, printed matter, envelopes, printing, bank deposit slips, claims clearing house fees, insurance verification fees including all Medicaid verification fees, scanning costs, postage, all telecommunications, on-line and faxing charges, mileage, travel and any other costs incurred in connection with the operation of the Fire Department Medical Billing Services;
 - 4.8.11. Maintain on-line access to Medicare, Medicaid, HMO's and private insurers and any other commercial or government provide including electronic submission and remittance with Medicare and Blue Cross Blue;
 - 4.8.12. Post remittances and mark or stamp such remittances "for deposit only – City of Southfield Bank Account No, _____" and deposit into such City bank account weekly, at a minimum;
 - 4.8.13. Provide a monthly accounting of all remittances;
 - 4.8.14. Provide that credit transfers between patient accounts shall be in accordance with billing remittances and shall be matched to appropriate transport with adherence to health care rules and regulations;
 - 4.8.15. Ensure that all billings reflect the actual Services rendered for each patient;
 - 4.8.16. Provide and document process audits and quality control plans. Audits shall include an annual audit of a reasonable sampling of claims submitted to Medicare by a qualified independent third party entity specializing in EMS claims management. The written results of the audit shall be provided to the City at Bidder's cost. The City is interested in ensuring full compliance with all regulatory entities, including Medicare law.
 - 4.8.17. Provide customer service access from 8:00 a.m. to 6 p.m. to receive and address inquiries, billing complaints and payments. Also, maintain a record of all inquiries, complaints, and payments. (This record of complaints will be reported on a monthly basis. It is understood that service related complaints will be referred to EMS Administration immediately upon receipt of the service complaint);
 - 4.8.18. Administer billing "write-offs" in accordance with City designated policy;
 - 4.8.19. Maintain and report payer specific collection amounts, ratios and lag periods;
 - 4.8.20. Report, research, and resolve all credit balances and unfound cash within thirty (30) days of receipt and report the same; and
 - 4.8.21. Submit refund request forms on a weekly basis and provide details indicated in the City's refund procedure;
 - 4.8.22. Certify that in its proposal that upon contract award, the successful Bidder shall provide the City with an Operational Disaster Recovery Plan for the City's approval. The Operational Disaster Recovery Plan is the Bidder's overall response to and resolution of an occurrence of Force Majeure or otherwise which causes the Bidder operated EMS/Fire Billing and Collection Services Operation to go off – line or to otherwise become inoperable or inaccessible at the Bidder location.
- 5. Scope of Services - Reporting:** The following is a list of reports desired by the City.
- 5.1. Charge Detail Report (Trip Date) Displays charge details, including trip date, run number, customer name (Lname, Fname), incident number, charge description, quantity, price per unit, and total charge amount. Charges are included based on the trip date.
 - 5.2. Charge Type Summary Report Displays a count of all charges in each charge type and the total dollars. Charges are included based on trip date.

City of Southfield Request for Proposal for Ambulance Billing Services for the Fire Department

- 5.3. Credit As Type Summary Report (deposit date) Displays a count of credits and total amount, grouped by Credit As category. Credits are included based on the deposit date.
 - 5.4. User Activity Report – Credits Displays the credits posted by each user, and sorted by Credit As category. Includes trip date, run number, customer name (Lname, Fname), credit description, deposit date, check #, and total credit amount. Credits are included based on the post date.
 - 5.5. Trip Detail (Current Payor) Displays a trip list, grouped by trip date and sorted by current payor. All charges and credits are displayed for each trip, regardless of the actual payor. Payor is defined as the person or persons responsible for paying for all or part of the EMS services provided to the patient.
 - 5.6. Aging Detail Report (Patient/Aging Date) Displays aging, grouped by customer (Lname, Fname), and sorted in alphabetical order. Amounts are listed in the aging categories based on the aging date. Trips are included based on trip date. And are listed.
 - 5.7. Aging Summary By Current Payor Displays aging, grouped by current payor. Amounts are listed in the aging categories (Current, 31-60, 61-90, 91-120, 121-180, over 180) based on the aging date. Trips are included based on trip date.
 - 5.8. Payment Credits By User (Deposit Date) Displays the credits posted by each user, and included trip date (date of service), run number, customer name (Lname, Fname), credit description, check #, amount and deposit date. Credits are included based on the deposit date.
 - 5.9. Payor Summary (Credit As Type/Deposit Date) Displays a count of credits and total amount, grouped by Credit As category and payor (for whom the credit was posted). Credits are included based on the deposit date.
- 6. Bidder Qualifications:** Bidders must demonstrate their qualifications and ability to perform the services requested under this proposal.
- 6.1. Companies must have a minimum of five (5) years experience providing medical billing services for Fire Departments.
 - 6.2. Companies must demonstrate knowledge of local state, and federal billing laws and requirements.
 - 6.3. Companies must have a minimum of ten (10) municipal references in Michigan where you are currently providing similar services. Company is licensed/certified (if applicable) to provide the requested services.
 - 6.4. Provide a list of any contracts in the previous five years that were terminated by the other party to the contract for any reason.
 - 6.5. Identify any refund(s), voluntarily or involuntary, that Bidder has had to make which resulted from billing errors, (e.g. up-coding, improper use of codes, computer errors, etc.) that resulted in a refund or rescinded payment in excess of \$5,000.
 - 6.6. List any name changes your firm has had in the past five years.
 - 6.7. Identify any contracts that the Bidder terminated for any reason during the past five years. Conversely, indicate whether your firm was ever terminated prior to the scheduled end of a billing and collection contract.
 - 6.8. Identify all major subcontractors, partners, members, joint ventures, holding companies, divisions, subsidiaries, parent companies, corporations or other legal entities related to your firm that may become involved with providing any part of the Services in this RFP.
 - 6.9. Indicate whether your company, or any officer, director, principle shareholder, partner, member, joint venture, holding company, division, subsidiary, parent company, corporation, or other related legal entity of bidder was a party at any time during the

City of Southfield Request for Proposal for Ambulance Billing Services for the Fire Department

past five (5) years to any of the following, and if so, provide a brief description of each situation:

- 6.9.1. A debtor in bankruptcy; or
- 6.9.2. A defendant in a legal action for deficient performance under a contract or in violation of a statute or related to service reliability; or
- 6.9.3. A respondent in an administrative action for performance or non-performance on a contract or in violation of a statute or related to service reliability; or
- 6.9.4. A defendant in any criminal action; or
- 6.9.5. A named insured of an insurance policy for which the insurer has paid a claim related to performance or non-performance under a contract or in violation of a statute or regulation; or
- 6.9.6. A principal of a bond for which a surety has provided contract performance or compensation to an obligee of the bond due to performance or non-performance under a contract or in violation of a statute or regulation; or
- 6.9.7. A defendant or respondent in a governmental inquiry or action regarding accuracy of preparation of financial statements, disclosure documents or medical billing and collection fraud and abuse.

- 7. Response Format:** The proposals should address all of the areas indicated in paragraphs below. Responses should be straightforward, complete, and concise. Organize your response in the exact order listed below using the headings listed for paragraphs 5.1.through 5.6 as titles for each section. Submit two (2) copies (1 original and one copy) of your response.

- 7.1. **Identification Section:** State the full name, address, contact person, telephone, fax number and email address for your organization. Indicate the ownership structure and legal status of your firm (i.e. partnership, corporation, etc.) and include a signature of the person authorized to discuss the terms of this proposal.
- 7.2. **Qualifications of the Firm:** The proposer should state the size of the firm, the number of employees, and the specialized experience and/or training of the staff. Identify the key personnel that will be assigned to this account. State the number of years your firm has been in business and provide a description of the services offered. Submit any other information not specifically requested that would assist the City in determining qualifications.
- 7.3. **Scope of Services – Billing and Reporting:** Discuss your firm's ability to meet the scope of services as indicated under paragraphs 4 and 5. Provide copies of sample reports you intend to produce for this contract.
- 7.4. **Project Approach:** Provide a detailed work plan that discusses how these services would be implemented. Indicate the exact steps and/or procedures the City would need to perform and the exact steps and/or procedures to be performed by your company beginning with signing the contract through issuing the first bill to forwarding proceeds to the City of Southfield. Include copies of any forms the City would need to complete and any information the City would be required to share. Provide a projected timeline to begin implementation.

**City of Southfield Request for Proposal for
Ambulance Billing Services for the Fire Department**

- 7.5. **References:** Provide a list five (5) municipal clients for which your firm provides similar services. Indicate the organization's name, contact information, a description of the services provided, and term of contract.
- 7.6. **Financial Information:** Include a copy of your firm's most recent audited financial statement. It may be included in a separate envelope marked "Financial Statements".
- 7.7. **Cost Proposal:** Please quote a contingency fee for these services. This fee should be quoted as a percentage of the fees collected and is to contain all direct, indirect costs, and all out-of-pocket expenses.
8. **Evaluation Criteria:** The City reserves the right to select the proposal that best meets its needs. Responses will be evaluated by a committee based on the following criteria:

Criteria	Points
Qualification of personnel assign to this account; Capacity of firm to provide a full scope of services and to meet the requirements outlined within this proposal	0 - 25 points
Relevant prior experience with similar engagements	0 - 25 points
Presentation of a detailed, comprehensive and realistic work project approach	0 - 20 points
Reporting Capabilities	0 - 15 points
References	0 - 10 points
Contingency Fee	0 - 5 points
Total possible rating	100 Points

**City of Southfield Request for Proposal for
Ambulance Billing Services for the Fire Department**

**Supplemental Specification:
City of Southfield Living Wage Ordinance**

The Contractor shall comply with the terms of the City of Southfield "Living Wage Ordinance", Chapter 14 of Title I, of the Code of the City of Southfield (the "Ordinance").

The Contractor shall pay its "covered employees" (a person employed full-time to perform services in connection with the Contractor's contract(s) with the City, including related subcontracts) and at least 90% of all the employees working on behalf of the Contractor in connection with a contract with the City, no less than a "Living Wage".

A "Living Wage" means an hourly rate which, on an annual basis (based on forty hours per week, fifty weeks per year) is equivalent to either of the following:

- a) One Hundred Twenty-Five percent (125%) of the federal poverty guideline, or
- b) One Hundred percent (100%) of the federal poverty guideline if Health Care Benefits are provided to the covered employee - ("Health Care Benefits" means comprehensive, medical coverage for the covered employee fully paid for by the Contractor, whether provided on an insured or self-funded basis. "Health Care Benefits" may include membership in a health maintenance organization (HMO) or similar entity, if the membership or subscription fee is fully paid by the Contractor).

The Contractor shall be required to certify both at the commencement of the Contract and upon request for final contract payment that it is in compliance with the requirements of the Living Wage Ordinance.

The Contractor shall post a notice of its obligation to comply with the Living Wage Ordinance in a conspicuous place in any work place where a covered employee is employed. The notice shall also state that if the Contractor has failed to pay a living wage to a covered employee, such employee may file a notice of non-compliance with the City of Southfield Purchasing Agent. The Purchasing Agent, based on such notice, or, on his or her own initiative if a possible violation of the Ordinance is discovered by other means, shall forward a notice to the Contractor by first class mail describing the violation, requesting the submission of proof of compliance within thirty (30) days of mailing. Failure by the Contractor to submit proof of compliance within such thirty (30) day period shall result in termination of the Contract.

In addition, a violation of the Ordinance is a civil infraction, punishable by a fine of not more than \$500.00 plus all costs of the action. The Court may issue and enforce any judgment, writ, or order necessary to enforce the Ordinance, including payment to the affected covered employee or employees of the difference between wages actually paid and the living wage that should have been paid, plus interest, and other relief deemed appropriate.

City of Southfield Request for Proposal for Ambulance Billing Services for the Fire Department

The Contractor shall not reduce the compensation, wages, fringe benefits, or leaves available to any covered employee or other employee in order to pay the living wage required by the Ordinance.

The following exemptions from compliance with the Ordinance shall apply:

1. The provisions of the Ordinance shall not apply to a contract with another unit of government.
2. The provisions of the Ordinance shall not apply to a covered employee who is:
 - (a) younger than (18) years of age;
 - (b) employed during summer months in a student or youth employment program;
 - (c) engaged in any training program, not to exceed a time period of ninety (90) days, that qualifies the person either to begin employment with the covered employer or to receive an employment promotion within the covered employer; or
 - (d) engaged or participating in a bona fide, student internship program.
3. The provisions of the Ordinance shall not apply where a covered employee is subject to the terms of a collective bargaining agreement.
4. The provisions of the Ordinance shall not apply where federal or state law requires the payment of a prevailing wage.
5. A non-profit covered employer, which is recognized by the Internal Revenue Service as tax exempt under the Internal Revenue Code, shall be exempt from the provisions of the Ordinance, provided that this exemption shall only apply to non-profit, covered employer if it employs ten (10) or fewer employees on a continuous basis. A continuous basis is defined as employing ten (10) or fewer employees on each working day in each twenty (20) or more calendar weeks in the current or preceding year.
6. The provisions of the Ordinance shall not apply to contracts entered into prior to the effective date of this Chapter.