



City of Huntington Beach

File #: 18-320

MEETING DATE: 9/17/2018

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Fred A. Wilson, City Manager

PREPARED BY: David A. Segura, Fire Chief

Subject:

Approve and authorize execution of Amendment #1 to Professional Services Agreement with Wittman Enterprises, LLC to provide Emergency Paramedic and Ambulance Billing Services and increase appropriations and professional services authority accordingly

Statement of Issue: The Fire Department requires professional services for the billing of emergency paramedic and ambulance services. To provide these services, the City Council approved a professional services agreement with Wittman Enterprises, LLC on October 5, 2015, for a three-year term, with a possible one-year extension. An amendment is requested to extend the contract for the one-year extension and an additional contract authorization of \$398,607 to cover the cost of services for one year is needed. The Fire Department's FY 2018/2019 General Fund budget and Professional Services Authority will also need to be amended by a commensurate amount to ensure compliance with Administrative Regulation No. 228. Funding is budgeted for this contract in the FY 2018/19 budget, but an additional allocation of \$124,832 will be required.

Financial Impact:

The recommended action is cost-neutral since the fees for billing services are offset by revenue generated by the emergency paramedic and ambulance services billing. The FY 2018/19 budget includes \$321,092 for this contract in account 10065401.69365 and an additional allocation of \$124,832 will be required. Funding will be allocated on an incremental basis as-needed, based on service demands.

Recommended Action:

- A) Adopt and authorize the Mayor and City Clerk to execute "Amendment No. 1 to Agreement Between the City of Huntington Beach and Wittman Enterprises, LLC" for Emergency Paramedic and Ambulance Billing Services; and,
- B) Approve an additional appropriation of \$124,832 for the FireMed Administration business unit (10065401.69365); and,
- C) Increase the Fire Department's professional services authority by \$398,607 to ensure

compliance with Administrative Regulation No. 228.

Alternative Action(s):

Do not adopt the attached resolution and direct staff accordingly.

Analysis:

The City of Huntington Beach currently contracts with Wittman Enterprises, LLC to provide emergency paramedic and ambulance billing services. The current contract was authorized by the City Council on October 5, 2015, and expires on October 4, 2018, with a possible one-year extension. Wittman Enterprises charges 4.75% of net revenue collected. Their billing services have generated approximately \$6 million in General Fund revenue for each of the past three years, for a total of \$18 million for this period.

Wittman Enterprises has 30 years of experience in emergency medical billing. The Fire Department possesses exceptionally high collection abilities for emergency medical billing services, partially due to the area's patient demographics. Wittman Enterprises maximizes revenue collections and is highly recommended by over 100 agencies in seven states across the country.

When the contract with Wittman Enterprises was executed in October 2015, the three-year term was not to exceed \$992,652 and was based on the Fire Department's current activity level and future increase for emergency medical services. The cost for the one-year extension accommodates the expected increase in Fire Department emergency medical services for the next year and an additional contract authorization of \$398,607 is needed. The department is requesting to increase its contract authorization by that same amount. Most of the additional funding for this service is included in the FY 2018/19 budget.

The Fire Department is also requesting an additional appropriation of \$124,832 for the FireMed Administration business unit (10065401.69365) to cover the additional cost of the contract during the one-year extension. The additional allocation is needed to continue billing services, which provides revenue to the General Fund budget.

The recommended action is cost-neutral since the fees for billing services are offset by revenue generated by the emergency paramedic and ambulance services billing.

Environmental Status:

None.

Strategic Plan Goal:

Enhance and maintain public safety

Attachment(s):

1. Amendment #1 to Professional Services Contract with Wittman Enterprises, LLC for Emergency Paramedic and Ambulance Billing Services