



# City of Palo Alto

## City Council Staff Report

(ID # 8012)

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**Report Type: Consent Calendar**

**Meeting Date: 6/27/2017**

**Summary Title: Ambulance Billing - Intermedix**

**Title: Authorize the City Manager to Execute an Agreement Between the City of Palo Alto and Intermedix, for Ambulance Service Billing, for a One-Year Period Through September 30, 2018, With the Option to Renew for Four Additional One-Year Periods Through September 30, 2022 for the Amount of \$160,000 per year, not to exceed \$800,000**

**From: City Manager**

**Lead Department: Fire**

### **Recommendation**

Staff recommends that Council consider that Council:

1. Approve and authorize the City Manager or designee to execute Contract No. C17165490 with Advanced Data Processing, (ADPI) DBA: Intermedix for ambulance billing service.
2. This agreement is for a one-year period through September 30, 2018, for an amount not to exceed \$160,000 per year, with the option to renew four additional one-year periods for a total amount not to exceed \$800,000 over a five-year period ending September 30, 2022.

### **Background**

The City of Palo Alto Fire Department currently bills for ambulance transports through a third party vendor. Due to the complex and constantly changing regulations in health care billing, it is necessary to rely on the expertise of a billing vendor. Outsourcing to a third party billing vendor has continually increased revenues for the City.

The City Auditor conducted a study in 2007 that recommended very detailed and increased oversight of patient accounts. A process was put in place to have a continuous review of accounts and monthly meetings with the vendor to discuss accounts. The vendor for this contract will be required to comply with that process.

There was a competitive bid with three other vendors responding. Staff reviewed all bids and compared evaluations. Intermedix is the current vendor and submitted the lowest bid which received the highest objective scores compared to other bids.

**Discussion**

With the implementation of this Agreement the City will work in coordination with the vendor, revenue collections and the Emergency Medical Services (EMS) Division of the Fire Department to the extent the City is allowed to collect. The Fire Department has funding in the current budget to cover expenses with this agreement.

This Agreement will allow the vendor to bill on behalf of the City for all EMS services. The vendor possesses the expertise and experience to work with and bill for medical services.

The Affordable Healthcare Act (AHA) has created an uncertain environment with multiple changes in allowable billing, required documentation, support documentation, new forms and other complexities the City doesn't provide. The Fire Department requires expertise in medical billing. A professional third party vendor maintains vigilance and updated information to allow for the maximum cost recovery, collections, while minimizing appeals from MediCare and other insurance companies.

**Summary of Solicitation Process:**

Proposal Description/Number	RFP 165490 Ambulance Billing
Proposed Length of Project	5 years
Number of vendors notified through City's eProcurement system	503
Number of solicitation packages downloaded by vendors	16
Total Days to Respond to Proposal	49
Non Mandatory or Mandatory Pre-Proposal Meeting Date:	None Scheduled
Number of Company Attendees at Pre-Proposal Meeting	NA
Number of Proposals Received	3
Range of Proposal Amounts	From 2.85%-3.85% of collected amounts

**POLICY IMPLICATIONS**

This recommendation is consistent with existing City policies and will allow the City to continue the outsourcing of ambulance billing at the most competitive rate.

**ENVIRONMENTAL REVIEW**

This contract is not a project under the provisions of the California Environmental Quality Act.

**RESOURCE IMPACT**

There is no increased impact to the agencies current budget or process with this agreement.

**Attachments:**

Attachment A – Intermedix Contract

**Attachments:**

- Attachment A: Signed C17165490 Intermedix Ambulance Billing Contract.docx

**CITY OF PALO ALTO CONTRACT NO. C17165490  
AGREEMENT BETWEEN THE CITY OF PALO ALTO AND  
ADVANCED DATA PROCESSING, INC.,  
A SUBSIDIARY OF INTERMEDIX CORPORATION  
FOR PROFESSIONAL SERVICES**

This Agreement is entered into on this 1<sup>st</sup> day of October, 2017, (“Agreement”) by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and ADVANCED DATA PROCESSING, INC., A SUBSIDIARY OF INTERMEDIX CORPORATION, a Delaware corporation, located at 6451 North Federal Highway, Suite 1000, Fort Lauderdale, FL, 33308 (“CONSULTANT”).

**RECITALS**

The following recitals are a substantive portion of this Agreement.

A. CITY intends to provide complete medical billing and accounts receivable management services for CITY’s first responder, paramedic, and/or Basic Life Support (BLS), and membership program fees (“Project”) and desires to engage a consultant to provide services in connection with the Project (“Services”).

B. CONSULTANT has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONSULTANT to provide the Services as more fully described in Exhibit “A”, attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and conditions, in this Agreement, the parties agree:

**AGREEMENT**

**SECTION 1. SCOPE OF SERVICES.** CONSULTANT shall perform the Services described at Exhibit “A” in accordance with the terms and conditions contained in this Agreement. The performance of all Services shall be to the reasonable satisfaction of CITY.

**SECTION 2. TERM.**

The term of this Agreement shall be from the date of its full execution through September 30, 2022 unless terminated earlier pursuant to Section 19 of this Agreement.

**SECTION 3. SCHEDULE OF PERFORMANCE.**

Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and

made a part of this Agreement. Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. CITY's agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

**SECTION 4. NOT TO EXCEED COMPENSATION.** The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit "A" ("Basic Services"), and reimbursable expenses, shall not exceed Eight Hundred Thousand Dollars (\$800,000.00). CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. The applicable rates and schedule of payment are set out at Exhibit "C-1", entitled "HOURLY RATE SCHEDULE," which is attached to and made a part of this Agreement. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit "C". CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described at Exhibit "A".

**SECTION 5. INVOICES.** In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT's billing rates (set forth in Exhibit "C-1"). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT's payment requests shall be subject to verification by CITY. CONSULTANT shall send all invoices to the City's project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

**SECTION 6. QUALIFICATIONS/STANDARD OF CARE.** All of the Services shall be performed by CONSULTANT or under CONSULTANT's supervision. CONSULTANT represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONSULTANT under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

**SECTION 7. COMPLIANCE WITH LAWS.** CONSULTANT shall keep itself informed of

and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

**SECTION 8. ERRORS/OMISSIONS.** CONSULTANT is solely responsible for costs, including, but not limited to, increases in the cost of Services, arising from or caused by CONSULTANT's errors and omissions, including, but not limited to, the costs of corrections such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

**SECTION 9. COST ESTIMATES.** If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of CITY's stated construction budget, CONSULTANT shall make recommendations to CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

**SECTION 10. INDEPENDENT CONTRACTOR.** It is understood and agreed that in performing the Services under this Agreement CONSULTANT, and any person employed by or contracted with CONSULTANT to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of CITY.

**SECTION 11. ASSIGNMENT.** The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT's obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

**SECTION 12. SUBCONTRACTING.** CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

CONSULTANT shall be responsible for directing the work of any subconsultants and for any compensation due to subconsultants. CITY assumes no responsibility whatsoever concerning compensation. CONSULTANT shall be fully responsible to CITY for all acts and omissions of a subconsultant. CONSULTANT shall change or add subconsultants only with the prior approval of the city manager or his designee.

**SECTION 13. PROJECT MANAGEMENT.** CONSULTANT will assign Michael Brook as the Senior Vice President to have supervisory responsibility for the performance, progress, and execution of the Services and Nina Patel, Director of Client Support and Mori Moriuchi, Director Client Relations to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the

assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY's project manager. CONSULTANT, at CITY's request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.

CITY's project manager is Kim Roderick, Fire Department, 250 Hamilton Avenue, Palo Alto, CA 94303, Telephone: (650) 329-2220. The project manager will be CONSULTANT's point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate project manager from time to time.

**SECTION 14. OWNERSHIP OF MATERIALS.** Upon delivery, all work product, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents, other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in CITY, and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONSULTANT nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

**SECTION 15. AUDITS.** CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT's records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

**SECTION 16. INDEMNITY.**

16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an "Indemnified Party") from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements ("Claims") resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

16.3. The acceptance of CONSULTANT's services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall

survive the expiration or early termination of this Agreement.

**SECTION 17. WAIVERS.** The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.

**SECTION 18. INSURANCE.**

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best's Key Rating Guide ratings of A-VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY's Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days' notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT's receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY's Chief Procurement Officer during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

**SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.**

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior



written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services.

19.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such materials will become the property of CITY.

19.4. Upon such suspension or termination by CITY, CONSULTANT will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT's services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 19.4, 20, and 25.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

**SECTION 20. NOTICES.**

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk  
City of Palo Alto  
Post Office Box 10250  
Palo Alto, CA 94303

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the project director  
at the address of CONSULTANT recited above

**SECTION 21. CONFLICT OF INTEREST.**

21.1. In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subconsultants, contractors or persons having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California.

21.3. If the Project Manager determines that CONSULTANT is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

**SECTION 22. NONDISCRIMINATION.** As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

**SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS.** CONSULTANT shall comply with the CITY’s Environmentally Preferred Purchasing policies which are available at CITY’s Purchasing Department, incorporated by reference and may be amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of CITY’s Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, CONSULTANT shall comply with the following zero waste requirements:

- (a) All printed materials provided by CCONSULTANT to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY’s Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.
- (b) Goods purchased by CONSULTANT on behalf of CITY shall be purchased in accordance with CITY’s Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Division’s office.
- (c) Reusable/returnable pallets shall be taken back by CONSULTANT, at no additional cost to CITY, for reuse or recycling. CONSULTANT shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

**SECTION 24. COMPLIANCE WITH PALO ALTO MINIMUM WAGE ORDINANCE.** CONSULTANT shall comply with all requirements of the Palo Alto Municipal Code Chapter

4.62 (Citywide Minimum Wage), as it may be amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONSULTANT shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code section 4.62.030 for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONSULTANT shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code section 4.62.060.

**SECTION 25. NON-APPROPRIATION**

25.1. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

**SECTION 26. PREVAILING WAGES AND DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS**

26.1 **This Project is not subject to prevailing wages.** CONSULTANT is not required to pay prevailing wages in the performance and implementation of the Project in accordance with SB 7 if the contract is not a public works contract, if the contract does not include a public works construction project of more than \$25,000, or the contract does not include a public works alteration, demolition, repair, or maintenance (collectively, ‘improvement’) project of more than \$15,000.

**SECTION 27. MISCELLANEOUS PROVISIONS.**

27.1. This Agreement will be governed by the laws of the State of California.

27.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

27.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.

27.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

27.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and consultants of the parties.

27.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

27.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

27.8 In the event of a conflict between the terms of this Agreement and the exhibits hereto or CONSULTANT's proposal (if any), the Agreement shall control. In the case of any conflict between the exhibits hereto and CONSULTANT's proposal, the exhibits shall control.

27.9 If, pursuant to this contract with CONSULTANT, CITY shares with CONSULTANT personal information as defined in California Civil Code section 1798.81.5(d) about a California resident ("Personal Information"), CONSULTANT shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONSULTANT shall not use Personal Information for direct marketing purposes without City's express written consent.

27.10 All unchecked boxes do not apply to this agreement.

27.11 The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

27.12 This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement

**CONTRACT No. C17165490 SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

**CITY OF PALO ALTO**

**ADVANCED DATA PROCESSING, INC.,  
A SUBSIDIARY OF INTERMEDIX  
CORPORATION**

DocuSigned by:  
*Brad Williams*  
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Senior Vice President  
5/3/2017

APPROVED AS TO FORM:

Mori Moriuchi

**Attachments:**

EXHIBIT "A": SCOPE OF SERVICES  
EXHIBIT "B": SCHEDULE OF PERFORMANCE  
EXHIBIT "C": COMPENSATION  
EXHIBIT "C-1": SCHEDULE OF RATES  
EXHIBIT "D": INSURANCE REQUIREMENTS

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

**A. Background**

CONSULTANT shall provide complete medical billing and accounts receivable management services for CITY's first responder, paramedic, and/or BLS, and membership program fees in accordance with the responsibilities outlined below, as required according to business needs.

CONSULTANT shall have a comprehensive and successful Emergency Medical Services billing and customer service record with significant experience in Prehospital billing, GEMT and IGT report needs. Prehospital billing experience shall include 911 system ambulance transports at the ALS / BLS level as well as experience in non 911 system interfacility transports. This level of experience would typically require 5 plus years of EMS / Ambulance billing business at a volume equal to or greater than the City of Palo Alto Fire Department. CONSULTANT must offer leading technology in electronic billing and insurance follow-up. CONSULTANT shall have highly qualified staff with a background in a Prehospital billing. CONSULTANT shall provide data on company history of collections including payer mix with percentage of collections for each category. CONSULTANT shall provide the City with customer references.

CONSULTANT shall provide local support to City and meet in person on a monthly basis.

Currently the City of Palo Alto is utilizing an electronic patient care report (ePCR). The City may still have occasional paper PCR's for processing. CONSULTANT shall provide a fee schedule based on an ePCR and/or paper PCR if there is a differentiation. The total transports for the City of Palo Alto is approximately 3500 transports per year. CONSULTANT shall be responsible for interface with ESO Solutions, or current ePCR vendor without cost to the City.

**B. Specific Scope Requirements:**

CONSULTANT will provide the following specific services:

1. Provide general billing and accounts receivable management services to CITY for Emergency and Non-Emergency transport services consistent with the provisions in City's Municipal Fee Schedule, ensuring that every billable claim is pursued.
2. Maintain up-to-date knowledge of different industry insurance plans and providers, and utilize most up-to-date knowledge and information with regard to coding requirements and standards, to ensure compliance with applicable Federal, State and local regulations.
3. When a new account is received, assign billing account numbers that provide a cross-reference to the CITY's assigned incident numbers.
4. On a monthly basis, reconcile the number of transports processed with those received.

5. On a monthly basis, have CONSULTANT team meet with/at the City to review accounts, spot audit accounts, and update staff on status of outstanding or standing accounts.
6. Maintain responsibility for obtaining missing or incomplete insurance information and billing information.
7. Provide accurate coding of medical claims as set by State and Federal requirements, and facilitate proper security of confidential information and proper shredding of all disposed material containing such information in accordance with HIPAA and Red Flag Rules and regulations.
8. Make recommendations as requested for fee schedule changes. Regularly advise CITY of changes in statutes and industry regulations. Provide Bay Area average billing/fee schedules, as needed. Provide strategies to maximize programs, including company charts that estimate the impact of billing system changes.
9. For any accounts previously returned to the City for follow up or further action or which any payment is received by CONSULTANT, report such payment to ASD within 3 business days of receipt.
10. Pursue payment from international and local patients in the same manner with the same diligence.
11. When necessary, provide subject matter expert to assist with any application process as needed for City representative. (CMS, Worker's Comp, etc.)
12. CONSULTANT shall abide by all local, state and federal laws applicable to medical billing and patient confidentiality.
13. Contractor shall provide a monthly report of performance metrics based on:
  - a. Collections Formula:
    - i. Collections Percent = collections/charges
    - ii. Collections = Payments Less refunds (Exclude GEMT, IGT and Collections Agency Payments)
    - iii. Charges for:
      1. Medicare and Medicaid adjustments taken at time of billing or payment?
      2. Include or Exclude?
        - a. Medicare not medically necessary
        - b. Medicare Claims with Missing Signatures
        - c. Self-Pay, Homeless, Transients
    - iv. Gross Collection
    - v. Net Collections-adjustment taken at time of payment
    - vi. Adjusted net collections – exclude NMN, missing signatures, etc.
    - vii. Account with payments
  - b. Average Collections/Transport is the better collections performance metric
14. **Patient Account Log.** CONSULTANT shall file and maintain a log (a “patient account log”) for each patient account documenting the complete history of all notices, phone calls, other correspondence, and actions taken to collect insurance payment, including but not limited to:
  - all invoice and billing records,

- dates of all written and oral correspondence,
- details of such correspondence,
- notations of billing contacts and updates,
- patient contacts,
- returned mail, phone disconnects, etc.,
- all records of re-submittals and corrections.
- all information regarding the patient including CITY’s incident number, name, gender, date of birth, date of service, call type, address
- in the case of account write-offs, the reason why the account is uncollectible.
- all required documentation and agreements with payers (including Medicare, Medicaid, Champus, etc.)

CONSULTANT shall provide a copy of the Patient Account Log to City when referring the account back to the City.

13. **Invoices and Billing.** Billing cycles will be reset upon billing a different payer and therefore may be extended beyond the 180 period for collections described in sections “a” through “c” below. CONSULTANT shall take all reasonable measures to ensure that patients are billed for services, including establishing contacts with local hospitals to obtain and/or verify patient insurance and demographic information, as necessary.

In general, if sufficient billing information is provided by the city, the account shall be invoiced within 3 business days. If insufficient billing information is provided by the city, the CONSULTANT shall pursue information within 10 business days. This includes; skip search, send patient a signature card, request a facesheet from the receiving facility, etc. Once sufficient information is obtained by the CONSULTANT the account shall be invoiced within 3 business days and follow the timelines as detailed below.

CONSULTANT shall invoice patients according to the following billing cycle. Receipt of account shall be defined as the date the paper PCR or ePCRs received by the vendor.

**a. Self-Pay Cycle – Completed PCR/ePCR:**

<u>Correspondence:</u>	<u>Action Taken No Later Than:</u>
Initial Invoice no SSN	3 days for ePCR and 5 days for paper PCR from receipt of account
Initial Invoice with SSN	10 days for ePCR
First Letter Contact	15 days from receipt of account
Secondary Letter Contact	45 days from the previous invoice
Continued Follow Ups (Invoice or Letter)	80 days from receipt of account
Final Demand Notice	115 days from receipt of account
Refer to City for action	145 days from receipt of account



or report status 180 days from receipt of account

**b. Insurance Accounts:**

<u>Correspondence:</u>	<u>Action Taken No Later Than:</u>
Initial Invoice	3 days for ePCR and 5 days for paper PCR from receipt of account
First follow up	45 days after first submission to Insurance
Continued Follow Ups (Invoice or Letter)	80 days from receipt of account 115 days from receipt of account 145 days from receipt of account
Refer/report to City for action or report status	180 days from receipt of account

**c. Incomplete PCR/ePCR**

CONSULTANT shall pursue information within 10 business days. Once information is complete, the timelines shall be the same as in Section (a) above.

**d. Special Accounts/Modified Payment:**

CONSULTANT shall negotiate and arrange modified payment schedules for individuals unable to pay full amount when billed and shall work with customers to establish special payment cycles to accommodate these individual payment needs to accommodate installment payments, liens, bankruptcy, or other special payment arrangements.

Such payment plans shall be established in writing, with the record of the plan, installment invoices, and all payments retained in the Patient Account Log. Installments and other special accounts shall be mailed no later than every thirty (30) days until paid in full. If, after a modified payment plan is arranged and no payments are made for a continuous 60 day period, CONSULTANT shall refer the account to the City for action.

**e. Return Mail and Accounts Requiring Additional Information:**

In addition to adhering to the billing cycle deadlines listed above, CONSULTANT shall conduct skip tracing search requests and/or review information acquired from hospitals no Later than 3 days from receipt of return mail/date

**f. Communication with patients and customers:** All correspondence or phone calls shall identify the CONSULTANT’s name and clearly state they are working on behalf of the City of Palo Alto.

**g. Delinquency Notice:** All initial and subsequent invoices shall state the date on which the patient’s account will become (or did become) delinquent,

- h. Secondary insurance:** Secondary insurance provider claims shall be submitted after the primary insurance provider has paid.
  - i. Return of delinquent and uncollectible accounts to City:** Delinquent accounts shall be referred back to the CITY at the 180 day deadline as listed above in sections 13(a) – (c) with a copy of the Patient Account log or as directed by the City.

    - (1) Legally uncollectible amounts (such as Medicare and Medical approved payments lower than City rates) shall be reported separately and submitted monthly for City review.
    - (2) In returning delinquent accounts back to City, CONSULTANT shall provide with the Patient Account Log proof and dates of attempts to collect on the account.
    - (3) CONSULTANT shall hold all accounts transferred back to City in inactive status and shall perform no collection activity unless and until directed in writing by City.
  - j. Payment progress reports:** For accounts in which insurance payment is pending or a modified schedule has been arranged, CONSULTANT shall provide a report to the City at 180 days from receipt of account and every thirty days thereafter that shows status and payment progress.
14. **Reports:** CONSULTANT shall provide reports as requested by the City of Palo Alto. All reports submitted to the City shall be in order of the City’s incident numbers, and shall be submitted no later than 10<sup>th</sup> day of the following month.

Required reports include but are not limited to:

- a. Monthly reports for the Month and Year-to-Date Activity, to City’s Revenue Collections and Accounting:**

  - Billing Report
  - Payment Report
  - Detail Open Items Report including account status by date of service
  - Legally Uncollectible Report (Medicare and Medical)
  - Delinquent Accounts (referred to City)
  - Overpayment Report
  - Detailed Report of Collections for Each Service (IFT, Downgrades, ALS)
  - Comprehensive Fiscal Year End Report
  - Payer Mix Report
  - Exception Report on Unbilled Invoices
  - Report on payments received on items in collection status
- b. Monthly reports to Fire Department EMS Chief:**

Itemized Patient Account Report Monthly (Listed: in order of City incident number) should include: date of service, dispatch time, unit number, patient name, age, DOB, status of account, i.e. invoiced or pending information

Incident #	date of service	dispatch time	unit number	Pt Name	Age	DOB	status
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- Detailed Summary Report of Collections for Each Service Monthly (IFT, Downgrades, ALS)

**c. Other reports to be provided as requested by City include but are not limited to:**

- Comprehensive Fiscal Year End Report Annually (listing: sum of accounts, sum of charges, sum of adjustments, sum of Payments, sum of write-Offs, sum of reimbursement balances by month)
- Payer Mix Report as requested
- Miscellaneous Reports as requested

15. **Electronic records:** CONSULTANT shall be able to receive and send data compatible with the CITY’s field data system software (ePCR). CONSULTANT shall interface or have a link that is capable of downloading or uploading information from the CITY’s data collection system.

CONSULTANT shall provide a billing interface with the CITY’s ePCR program and have it operational within 60 days of the award of the Contract and maintain an electronic interface throughout the Contract at no cost to the City.

CONSULTANT shall also maintain records in an electronic format that is accessible by designated CITY personnel, who will be given direct log on access to the vendor’s database, and meets all Federal and State requirements for maintaining patient medical records and privacy.

16. **Customer inquiries:** CONSULTANT shall provide a designated liaison to respond to patient/payer concerns, establish a toll free telephone number for customers to call for inquiries, and respond to customer questions or concerns as soon as possible but no later than 24 hours of the initial inquiry (excluding holidays and weekends). CONSULTANT shall also provide assistance in responding to inquiries concerning third-party claims.

17. **Training:** Keep City apprised of changes to industry regulations and periodically provides training as requested by CITY to CITY’s EMS and/or CITY fire personnel regarding the gathering of the necessary information and proper completion of run tickets

18. **Payments and accounting:** CONSULTANT shall maintain appropriate accounting procedures for reconciling all deposits, receivables, billings, patient

accounts, adjustments and refunds. CONSULTANT shall maintain daily deposit control sheets and original documentation of payments. CONSULTANT shall accept cash, checks and credit card payments as acceptable forms of payment for invoiced services. All funds received by CONSULTANT shall be deposited directly into the City's designated bank account immediately upon receipt.

19. **Audits:** Cooperate with City as required to complete periodic audits.
20. **CONSULTANT** shall transition to full implementation of services once according to the following schedule: *dates and deadlines TBD as provided by CONSULTANT and to be incorporated into this scope*
21. **Monthly meetings:** To ensure that CONSULTANT returns uncollected accounts in a timely manner and provide a check to ensure that CONSULTANT does not continue to bill accounts that have already been returned to City, CONSULTANT's Account Manager shall meet at least once per month with the City of Palo Alto Staff from the Fire Department and from the Administrative Services Department. To review open accounts, accounts referred back to City, problems and opportunities related to ambulance billing, and other related issues. At each meeting, CONSULTANT shall report on all accounts over 180 days and the status of accounts that have not been invoiced, as well as provide any other updates requested by City. The monthly meetings will be pre-scheduled and the City of Palo Alto may request additional meetings if deemed necessary.
22. CONSULTANT assists with completing any applications for EFT (Electronic Funds Transfer), CMS or other applications for the CITY.
23. In the event the City or CONSULTANT dissolves this agreement for any reason, all records will be returned or transferred in an agreed upon format and assist in a smooth transition of accounts to the City or designee.
24. **Dissolution of agreement:** If either party dissolves this agreement, all current accounts shall be handled as specified through 180 days at which time all accounts would be turned over to the CITY for processing.

## II. Performance Requirements/Penalty for Non-Performance

Detailed below are the CONSEQUENCES for NON PERFORMANCE for this Agreement.

1. Billing correspondence shall be submitted according to the timelines set forth in Attachment A, Sections 13(a), (b) and (c). Failure to meet the standard with a minimum 95% compliance in that month will result in a 2.5% reduction to the collection amount for the month in which the standard was not met. For example, if the CONSULTANT collection amount for that month is \$15,000, the penalty for that month for non-compliance would be \$375.

2. CONSULTANT shall meet the 180 day referral back to the City for non-collection of billing. Failure to meet the standard with a minimum 95% compliance will result in a 2.5% reduction to that month's collection amount.
3. Submit all reports as required in Attachment B, Section 14 by the 10th of each month to verify satisfactory performance in monthly meetings with Fire and ASD Staff. Failure to meet this standard will result in a 2.5% reduction to that month's collection amount.
4. CONSULTANT shall initiate follow-up action within 10 days to gather all necessary data when insufficient information exists on initial submission to generate an invoice. Failure to meet this standard with a minimum 95% compliance will result in a 2.5% reduction to that month's collection amount.

### **III. City's Responsibilities:**

1. CITY shall provide CONSULTANT with patient information on a timely basis and in sufficient detail to support diagnosis and procedure coding. CITY will also provide patient demographic information necessary for accurate patient identification including name, address, social security number, date of birth, and telephone number, whenever possible. Where possible, CITY will obtain and provide CONSULTANT with patient health insurance, auto insurance or other insurance information.
2. CITY shall provide CONSULTANT with necessary documents required by third parties to allow for the electronic filing of claims by CONSULTANT on City's behalf.
3. CITY shall provide CONSULTANT with its approved billing policies and procedures including municipal fee schedules and collection protocols. CITY will be responsible for engaging any third party collection service for uncollectible accounts after CONSULTANT has exhausted its collection efforts.
4. CITY will process refunds identified by CONSULTANT in a timely manner for account overpayments.
5. CITY will cooperate with CONSULTANT in all matters to ensure proper compliance with laws and regulations.

**SCHEDULE OF PERFORMANCE**

(All work shall be performed as in accordance with EXHIBIT “A” Scope of services)

## **EXHIBIT "C" COMPENSATION**

The CITY agrees to compensate the CONSULTANT for professional services performed in accordance with the terms and conditions of this Agreement based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all services, additional services, and reimbursable expenses shall not exceed the amount(s) stated in Section 4 of this Agreement. CONSULTANT agrees to complete all Services and Additional Services, including reimbursable expenses, within this/these amount(s). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to the CITY.

### **REIMBURSABLE EXPENSES**

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONSULTANT for the following reimbursable expenses at cost. Expenses for which CONSULTANT shall be reimbursed are:

Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than \$500.00 shall be approved in advance by the CITY's project manager.

### **ADDITIONAL SERVICES**

The CONSULTANT shall provide additional services only by advanced, written authorization from the CITY. The CONSULTANT, at the CITY's project manager's request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONSULTANT's proposed maximum compensation, including reimbursable expenses, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.

**EXHIBIT “C-1”  
SCHEDULE OF RATES**

All work related to complete delivery of the identified services as specified in EXHIBIT “A”  
Scope of Services.

2.85% of Net Collections\*

Optional: For Notice of Privacy Practices the cost is \$1.50 per NPP.

For lockbox services, the cost is an additional .3%.

\*Net collections is defined as total cash collections, less refunds. The price bid herein shall include all expenses of billing and collection including, but not limited to, stationery, forms, envelopes, postage, and phone facilities. Credit card fees are the responsibility of Palo Alto.



## EXHIBIT "D"

### INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY		
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
YES	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE			
		ALL DAMAGES		\$1,000,000
YES	<b>THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED:</b> CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

- I. INSURANCE COVERAGE MUST INCLUDE:
  - A. A PROVISION FOR A WRITTEN THIRTY (30) DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND
  - B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR'S AGREEMENT TO INDEMNIFY CITY.
  - C. DEDUCTIBLE AMOUNTS IN EXCESS OF \$5,000 REQUIRE CITY'S PRIOR APPROVAL.
- II. CONTACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE AT THE FOLLOWING URL: <https://www.planetbids.com/portal/portal.cfm?CompanyID=25569>.
- III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSUREDS"
  - A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSUREDS.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSUREDS UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSUREDS, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.
2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

**VENDORS ARE REQUIRED TO FILE THEIR EVIDENCE OF INSURANCE AND ANY OTHER RELATED NOTICES WITH THE CITY OF PALO ALTO AT THE FOLLOWING URL:**

**<HTTPS://WWW.PLANETBIDS.COM/PORTAL/PORTAL.CFM?COMPANYID=25569>**

**OR**

**[HTTP://WWW.CITYOFPALOALTO.ORG/GOV/DEPTS/ASD/PLANET\\_BIDS\\_HOW\\_TO.ASP](HTTP://WWW.CITYOFPALOALTO.ORG/GOV/DEPTS/ASD/PLANET_BIDS_HOW_TO.ASP)**