

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

 X Resolution or Ordinance (Blue) *Waiver of First Requested*
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: Scott Niehaus, Village Manager

DATE: October 11, 2017 (COW)(B of T) October 19, 2017

TITLE: Resolution Authorizing Extension of Contract for Ambulance Billing Services

SUBMITTED BY: Richard Sander, Chief of Lombard Fire Department
Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

In October 2013, a request for proposals (RFP) for a new contract was sent to five companies. The Finance and Fire department staff recommend Andres Medical Billing Ltd. Andres proposed a rate of 4.75% of monthly revenue collected with no increase for six years. Staff has had a very good relationship with Andres since the contract began in January 2015.

In September 2017, the Board approved Ordinance 7418 to increase EMS charges, effective January 1, 2018. Staff met with Andres to discuss the rate changes and Andres proposed a lower rate of 3.50% of monthly revenue collected with no increase for six years.

Both the Finance and Fire department staff recommend that the Village Board of Trustees approve the attached contract for a three year period with a three year option beginning January 1, 2018.

Review (as necessary):

Village Attorney X	_____	Date	_____
Finance Director X	<i>Timothy Sexton</i>	Date	10/3/17
Village Manager X	_____	Date	_____



Exhibit A

This Agreement is entered into as of January 1, 2018 between the Village of Lombard, hereinafter referred to as Lombard and Andres Medical Billing, Ltd., hereinafter referred to as AMB.

WHEREAS, Lombard has determined that it is in their best interest to retain the services of an outside billing service to collect monies for services rendered by Lombard.

WHEREAS, AMB does hereby hold itself as being ready and able to perform a billing service program as described herein.

NOW, THEREFORE, in consideration of the aforementioned promises and mutual covenants and promises stated herein, the parties hereby agree as follows:

1. AMB shall provide an Accounts Receivable program within AMB's computer billing system for the exclusive purpose of collections for Lombard.

AMB will enter into said computer billing system, any and all ambulance trips received from Lombard. AMB shall abstract, from the documentation provided by Lombard, all diagnosis and procedure information necessary to determine the level and type of service provided, any billable diagnostic and therapeutic procedures performed, any billable supplies and ancillary services rendered, and the appropriate diagnosis codes to be billed for all ambulance run information provided by AMB by the client for that purpose.

AMB will follow established billing industry guidelines, including those established by State and Federal government programs, for ambulance services. Lombard retains responsibility for providing accurate and complete documentation of services provided. Lombard understands that AMB will code/bill only from the documentation provided.

2. AMB shall provide electronic billing of Medicare, Medicaid, Insurance claims, including 3rd party payors, when applicable. It is the responsibility of Lombard to inform AMB of any changes in the company's status that would affect billing.

CORPORATE HEADQUARTERS

3223 N. Wilke Road • Arlington Heights, IL 60004 • www.ANDRESMEDICAL.com
Phone: 800-244-2345 • Fax: 800-329-5274 • Phone: 847-577-8811 • Fax: 847-577-9515

3. AMB will invoice all patients as directed by Lombard, in accordance with State and Federal programs.

Patient invoicing will be done on a billing form specific for Lombard.

Invoicing/collection activities will be conducted on the following standard schedule:

1st invoice	within 3 days of receipt
Insurance request	30 days after 1 st invoice
Automated phone call	20 days after insurance request
2 nd invoice	10 days after phone call
Final notice	20 days after 2 nd invoice
Collections or W/O review	30 days after final notice

Bill schedules may vary based on parameters set by department.

Collection agency or write off if no results from above as pre-determined by Lombard.

4. All monies received by AMB on behalf of Lombard will be posted to the patients' accounts on a schedule set forth by Lombard. All checks will be made payable to Lombard. It is the responsibility of Lombard to notify AMB of any payments and/or documents pertaining to billing received at Lombard relating to the services heretofore described.

5. AMB will maintain an 800-phone line for the purpose of customer service. This line will be staffed Monday through Friday from 8:30 am to 7:30 pm Central time.

AMB will promptly respond to all Lombards' service recipient concerns related to all billing practices conducted herein.

6. AMB will submit a monthly reports detailing the transports billed from the previous month. It is the responsibility of Lombard to verify these reports and provide AMB with any missing data. All reports currently within the software of AMB's billing system will be provided to Lombard at no additional cost.

7. AMB shall recognize and comply with the right of authorized Lombard representatives to review any and all payment records pursuant to claims and/or collection procedures conducted herein. Lombard shall have the right to audit such reports at reasonable times.
8. Lombard agrees to pay AMB in accordance with the following fee schedule for the aforementioned services so long as this Agreement has not been terminated:
 - a. AMB shall be paid a fee of three and one half percent (3.5%) of all payments collected.
 - b. Payments to AMB shall be based upon revenues received in the preceding month. AMB will provide a monthly billing to Lombard calculating amounts owed to AMB based upon the above stated formula.
 - c. Failure to pay AMB within 30 days of the monthly bill may constitute immediate termination of the contract and possible legal action at the cost of Lombard.
9. If Lombard determines it is in their best interest to use a collection agency, Lombard will deal directly with the collection agency regarding their fees.
10. It is expressly understood and agreed that AMB is an independent contractor who shall at all times maintain insurance in force as herein provided and AMB shall in all events defend and save and hold harmless Lombard from any and all liabilities, obligations, debts, charges, or judgments arising from claims, injuries or debts, charges, or judgments arising from injuries or property damage claims attributable to the activities of AMB while engaged in the performance of its duties under this Agreement.
11. It is the sole determination of Lombard as to fees for services that will be charged to its patients and/or facilities. It is recommended such fees should be based on fair market value.
12. This agreement shall be effective on the date hereof and shall remain in full force and effect for a term of three (3) years. Thereafter, this Agreement will be automatically extended for three (3) years unless terminated as hereinafter set forth. All terms and provisions of this Agreement shall continue in full force and effect unless otherwise modified. Either party may terminate this agreement at any time by giving the other party ninety (90) days written notice. Notwithstanding the aforementioned, this agreement shall be subject to immediate termination by Lombard if AMB fails to maintain insurance as in part 13.
13. AMB maintains General Liability \$1,000,000 per occurrence / \$2,000,000 aggregate; Commercial Auto w/ hired non-owned coverage \$1,000,000; Workers Compensation \$500,000/\$500,000/\$500,000; Professional Liability of \$1,000,000; Employment Practices Liability \$250,000

14. If this contract is terminated prior to the term agreement Lombard allows AMB to continue collections efforts for a period of 6 months following the contract termination, unless other arrangements have been agreed to by both parties in writing. Lombard understands that they will be responsible to pay AMB their commission on their collections during this time period in accordance with section 8 (c).

Proper notice may be given by certified or registered mail to:

Patrick Mannix
Chief Executive Officer
Andres Medical Billing, Ltd.
3223 N. Wilke Road
Arlington Heights, IL 60004

OR TO:

At termination of the Agreement it is the responsibility of AMB to return to Lombard any and all records and documents submitted to AMB, except as required by Federal Law.

IN WITNESS WHEREOF, the Responsible Party of Lombard and an Authorized Agent of AMB have executed this agreement.

Village of Lombard

ANDRES MEDICAL BILLING, LTD.

BY: _____

BY: 
Shana Betz, C.O.O.

DATE: _____

DATE: _____

RESOLUTION

R _____ 17

A RESOLUTION AUTHORIZING SIGNATURE OF
PRESIDENT AND CLERK ON AN AGREEMENT

WHEREAS, the Corporate Authorities of the Village of Lombard have received an Agreement between the Village of Lombard and Andres Medical Billing Services for Ambulance Billing Services, and

WHEREAS, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve such agreement, as attached hereto and marked Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS as follows:

Section 1: That the Village President be and hereby is authorized to sign on behalf of the Village of Lombard said agreement as attached hereto.

Section 2: That the Village Clerk be and hereby is authorized to attest said agreement as attached hereto.

Adopted this _____ day of _____, 2017

Ayes: _____

Nays: _____

Absent: _____

Approved this _____ day of _____, 2017

Keith Giagnorio
Village President

ATTEST:

Sharon Kuderna
Village Clerk

APPROVAL AS TO FORM:

Thomas P. Bayer
Village Attorney