

AUG 21 2007

LOS ANGELES FIRE DEPARTMENT



DOUGLAS L. BARRY
INTERIM FIRE CHIEF

August 10, 2007

BOARD OF FIRE COMMISSIONERS
FILE NO. 07-080

TO: Board of Fire Commissioners

FROM: Douglas L. Barry, Interim Fire Chief *DLB*

SUBJECT: **APPROVAL OF REQUEST FOR PROPOSAL (RFP) FOR EMERGENCY MEDICAL SERVICES FIELD DATA CAPTURE SYSTEM (FDCS) AND EMERGENCY MEDICAL SERVICES SYSTEM (EMSS) FOR BILLING AND COLLECTIONS (RFP #2007-38-001)**

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

Recommendations: That the Board:

In accordance with Council File 03-0814, it is recommended that the Board approve and authorize the release of the attached Emergency Medical Services RFP 2007-38-001 for the acquisition of an FDCS and replacement ambulance billing and collection system (Attachment A).

It is requested that the Board of Fire Commissioners receive, file and instruct MISD to release an RFP for the acquisition of an EMS FDCS and a replacement Billing and Collection System.

Summary:

The three primary objectives of releasing an EMS RFP for implementing an FDCS and/or replacement EMSS are:

1. To enhance front-end data capture by implementing an electronic FDCS that would:
 - Eliminate paper-based F-902M reports by Paramedics in the field,
 - Eliminate the misplacing of F-902M reports,
 - Improve overall Los Angeles Fire Department (LAFD) related patient care during an incident,
 - Improve data collection and billing accuracy,
 - Allow the capture of additional patient symptom data,

2. Automate an FDCS to work seamlessly with the current EMS billing system or replace the current EMS billing system with an EMS account management software platform that would result in:
 - Reduction of the billing cycle,
 - Improved efficiency in the accounts receivable process,
 - Increased operational efficiency,
 - Increased revenue, and
 - An improved audit trail
3. Improve measurement and monitoring technologies and capabilities by providing managers with detailed reporting and metrics without expensive custom programming.

Background:

The LAFD provides emergency medical services and transports for the residents of Los Angeles and its visitors. Of the 290,000 emergency medical service calls received annually, approximately 188,000 (or 64.8%) of those calls result in billable transports. For these transports the LAFD receives approximately half of an estimated \$112 million per year billed to a combination of government programs (Medicare and Medi-Cal), private insurance companies and the patients themselves. The low percentage collectable is part due to the fact that government programs typically reimburse to a fixed amount, which is historically much lower than the amount billed. However, clearly, the most difficult challenge facing the LAFD when it comes to its bill collection efforts lies in collecting from the non-insured patients, a problematic trend that is on the rise especially from those that reside in the low-income areas of the City. The fact that collection efforts from patients that reside in these areas has in the past been (and continues to be) so significantly problematic, that the main repercussion has resulted in the City ceasing to pursue collection activities from this particular group of individuals, costing millions of dollars.

In addition to the collection issues stated above, approximately 3% of patient records are either lost, delayed or even both due to misrouting and do not result in a billing under the current paper based system. Correcting these errors and eliminating this 3% could conceivably generate an additional \$1.5 million in annual revenue.

Also, a substantial cost of the ambulance billing system is the data entry cost associated with the manual data entry of necessary information to generate an invoice.

In July 2003, the Los Angeles City Council adopted a recommendation proposed by the Public Safety Committee (CF #03-0814) instructing third-party vendor BearingPoint, Inc. to review the LAFD ambulance billing process and report back with their findings. BearingPoint, Inc. concluded their study, submitted their final report on April 12, 2004 and in it recommended strategies for improving the LAFD ambulance billing process.

The LAFD has already taken the first steps in carrying out some of the ambulance billing process improvements recommended in the BearingPoint, Inc. study.

On October 26, 2005, the City Council instructed the Department to prepare and release an RFP for the billing process and technology improvements based on recommendations by the City Administrative Officer (CAO).

Complexity of the RFP:

There are two main parts to the RFP:

1. A FDCS to replace the paper-based incident reporting (F-902M), and
2. A replacement emergency medical services or billing and collections system.

Vendors shall be invited to propose for either of the two systems or both if they so choose. Typically some vendors specialize solely on data capture systems, while others develop and market only billing and collections systems. Both systems should be able to communicate seamlessly with each other for a conforming and problem free operation.

Ambulance billing and collection systems whether it is the existing City EMSS or a new vendor product are very complex and require specialized support and maintenance staffing requirements. In addition, due to constantly changing regulatory requirements, these systems need to be modified on a regular basis.

Timeframe:

The timeframes for the EMS RFP are estimates based on a typical smooth RFP process and allows for a reasonable turnaround of approvals from various interested parties and approving bodies (Stakeholders, City Attorney, Board of Fire Commissioners, City Council and Office of Finance). Timeframes also take into consideration both the selection of a vendor and the duration of time for contract negotiations. (See the attached EMS RFP Draft Schedule July 24, 2007.)

Summary of estimated RFP milestones:

- | | |
|------------------------------|-------------------|
| • Advertising the RFP | August 29, 2007 |
| • RFP Deadline | October 22, 2007 |
| • Proposal Evaluation Ending | December 20, 2007 |
| • Board Approval of Vendor | February 12, 2008 |
| • Contract Start | June 09, 2008 |
| • End of Implementation | December 09, 2009 |

Conclusion:

It is recommended that upon approval of the Board of Fire Commissioners, RFP # 2007-38-001 be released for the acquisition of an EMS FDCS and a replacement Billing and Collection System.

Management Information Systems Division staff will both administer and manage the release of the RFP and resultant proposal activities.

Board Report prepared by William D. Bloemhof, Director of Systems, Management Information Systems Division.