



To: Mayor and Council

Agenda Item #: IV.J.

From: Eric Roggeman, Assistant Finance Director

Action

Discussion

Date: 12/3/13

Information

Subject: Authorize Agreement With Expert T Billing for Ambulance Billing Services

Action Requested:

Authorize Agreement With Expert T Billing for Ambulance Billing Services

Information / Background:

Expert T Billing has provided ambulance billing services for the City for many years. Expert T Billing services include working with the Fire Department to receive patient care reports, and working with patients, insurance companies, and/or Medicare to determine financial responsibilities. Expert T Billing also works closely with the Finance Department to reconcile lists of open accounts and follow up on delinquent accounts appropriately.

If approved, the attached agreement would extend our current relationship with Expert T Billing through December 31, 2014. We currently pay Expert T Billing \$26.00 per ambulance patient to provide these services and the fee is increasing to \$26.50 for 2014. We expect Expert T Billing to bill approximately 3,000 patients on our behalf in 2014.

Additional Information / Background:

Ambulance service billing agreement between Expert T Billing and City of Edina Ambulance

HIPAA Business Associate Addendum between City of Edina Ambulance and Expert T Billing

AMBULANCE SERVICE BILLING AGREEMENT BETWEEN
EXPERT T BILLING
AND
THE CITY OF EDINA AMBULANCE

This agreement for service made as of January 1, 2014 between the City of Edina, a Minnesota municipal corporation ("CITY) and Expert T Billing, a Minnesota company ("CONTRACTOR") shall specify the billing services the CONTRACTOR will provide to the CITY.

1. CONTRACTOR SERVICES AND OBLIGATIONS

1.1 The CONTRACTOR agrees to provide and furnish ambulance billing service for the accounts receivable of the CITY as follows:

- 1.1.1 Preparation of initial and monthly statements for all accounts and mailing to responsible parties.
- 1.1.2 Processing insurance on accounts that are subject to Medicare, Minnesota Care and Medicaid coverage.
- 1.1.3 Processing and assisting individuals with accounts and with third party insurance payments (private insurance) in order to coordinate payment to the CITY.
- 1.1.4 Issue up to three (3) billing statements on each account.
- 1.1.5 Issue delinquent account letters on all accounts that have not had any payment activity for 120 days.
- 1.1.6 Perform telephone follow-up calls on accounts to patients, medical providers, insurance carriers, or other facilitators to ensure reasonable collection efforts have been attempted. This would include the use of internet resources when applicable.
- 1.1.7 Per CITY authorization or directive, refer to a designated collection agency all delinquent accounts which have failed to have payment activity after the delinquent account letter was mailed and telephone calls made.
- 1.1.8 All accounts authorized for collection agency handling and as permitted under MN State Statute 270 A, shall be submitted to the Minnesota Department of Revenue and certified for collection per the Minnesota Revenue Recapture Act.
- 1.1.9 Furnish to the CITY a monthly accounting of all charges and revenue statements handled during the month as well as other billing system reports.

- 1.1.10 Respond to inquiries from individuals who have received ambulance service which are related to their accounts and balances due.
- 1.1.11 Forward complaints and all written comments received regarding the CITY to the CITY'S designee.
- 1.1.12 Retain possession of a back-up billing software program at a secure off-site location.
- 1.1.13 Perform and maintain a computer back-up of accounts receivable records on a daily basis.
- 1.1.14 Upon termination of this agreement, return to the CITY all accounts receivable records and billing information as provided by the CITY over the course of the billing agreement(s).
- 1.1.15 Train and, where required, license CONTRACTOR personnel to provide services hereunder and to provide such services in accordance with all applicable laws, ordinances, regulations and rules of federal, state and local authority. CONTRACTOR will obtain all necessary certificates, permits and licenses at CONTRACTOR'S sole expense and, upon request, provide the CITY with evidence thereof.
- 1.1.16 Maintain a general liability insurance policy with a contract liability rider of \$2,000,000 annual aggregate and \$1,000,000 per occurrence. The CITY shall be named as an additional insured on the policy.

2. CITY OBLIGATIONS

- 2.1 The CITY agrees to provide and furnish the CONTRACTOR the following:
 - 2.1.1 Information required by the CONTRACTOR to properly bill the accounts. Information shall be in the form of legible EMS Patient Care Reports (PCRs) or typewritten information taken from the EMS - PCR. Legible information shall be required from electronic as well as paper information.
 - 2.1.2 THE CITY shall provide the CONTRACTOR with hospital admission face sheets and other information, including patient signatures, which may be available and legally obtainable for individuals receiving ambulance service when necessary for billing purposes.
 - 2.1.3 The CITY shall provide the CONTRACTOR with information that is necessary regarding collection for accounts that remain delinquent after the CONTRACTOR has provided billing services.

3. **PAYMENT FOR SERVICES**

3.1 The CITY agrees to pay for services performed by the CONTRACTOR as follows:

3.1.1 The charge of \$ 26.50 per each billable transport run.

3.2 The CONTRACTOR shall invoice the CITY on a monthly basis for services rendered and payment of each invoice shall be due within 30 days of the date of the invoice.

4. **TERM, DEFAULT, AND TERMINATION**

4.1 This agreement shall be effective on the date first mentioned above and shall extend through and including December 31, 2014, unless terminated prior to that date pursuant to this Article Four.

4.2 If any one or more of the following occurs: (1) a payment due from CITY to CONTRACTOR shall be and remain unpaid in whole or in part for more than sixty (60) days after same is due and payable; (2) CITY shall violate or default on any of the other covenant agreements, stipulations or conditions herein and such violation or default shall continue for a period of ten (10) days after written notice from CONTRACTOR of such violation or default; then it shall be optional for CONTRACTOR, without further demand or notice, to declare this agreement forfeited and the said Term ended and CONTRACTOR shall not be liable for damages by reason of such termination; but notwithstanding termination by CONTRACTOR, the liability of CITY for the payments provided herein shall not be relinquished or extinguished for the services provided prior to termination. CITY shall be responsible for, in addition to the payments agreed to be paid hereunder, reasonable attorneys' fees and costs incurred by CONTRACTOR to enforce the provisions of this Agreement or to collect the payments due CONTRACTOR hereunder.

4.3 Each right or remedy of CONTRACTOR provided for in this agreement shall be cumulative and shall be in addition to every other right or remedy provided for in this agreement now or hereafter existing at law or in equity or by statute or otherwise.

4.4 CONTRACTOR shall not be deemed to be in default under this agreement until CITY has given CONTRACTOR written notice specifying the nature of the default and CONTRACTOR does not cure such default within (30) days after receipt of such notice or within such reasonable time thereafter as may be necessary to cure such default where such default is of such a character as to reasonably require more than thirty (30) days to cure.

4.5 No waiver of any default of CITY hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by CONTRACTOR shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

5. **INDEMNIFICATION**

- 5.1 Each party agrees that it shall protect, indemnify and hold harmless from and against all liabilities, actions, damages, claims, demands, judgment, losses, costs, expenses, suits or actions and attorneys' fees, and shall defend the other in any suit, including appeals, for loss or damage to property caused by the negligent acts or omissions of the indemnifying party, its agents or employees, in connection with or as a result of this agreement, the performance of either party's obligations hereunder or the performance of services governed by this agreement. Neither party shall be required to reimburse, defend or indemnify the other party for loss or claim due to the negligence of such other party. In case of joint or concurrent negligence of the parties giving rise to a loss or claim against either one or both, each shall have full rights of contribution against the other.
- 5.2 Each party shall promptly notify the other party of the assertion of any claim against which the party is indemnified by the other party.

6. **GENERAL PROVISIONS**

- 6.1 Nothing in this agreement is intended or shall be construed to create an employer - employee relationship, a partnership, a joint venture, or a lessor-lessee relationship between the parties.
- 6.2 Each party understands and agrees that it is responsible for payment of the wages, salaries and benefits of its own employees and that the other party shall not pay or withhold any sums for income tax, unemployment insurance, workers compensation premiums, social security or any other withholding required by law or any other agreement.
- 6.3 This agreement shall be interpreted, construed and governed by the laws of the State of Minnesota.
- 6.4 This agreement may be amended or modified only in writing and signed by both parties.
- 6.5 This agreement constitutes the entire agreement between the parties and shall bind and inure to the benefit of the CITY and the CONTRACTOR and their respective successors and assigns.
- 6.6 This agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute only one agreement.
- 6.7 Any notice required or permitted under this agreement shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to CONTRACTOR to:

Expert T. Billing, Attn: Bill Schommer,

400 Third Street, Farmington, Minnesota 55024

If to CITY to:

City of Edina

4801 W 50th St

Edina, MN 55424

CONTRACTOR and CITY shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

6.8 If any term or provision of this agreement shall to any extent be held invalid or unenforceable, the remainder shall not be affected thereby, and each other term and provision of this agreement shall be valid and be enforced to the fullest extent permitted by law. No receipts or acceptance by CONTRACTOR from CITY of less than the monthly payments herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid amounts; no endorsement or statement of any check or any letter or other writing accompanying any check or payment of rent to CONTRACTOR shall be deemed an accord and satisfaction, and CONTRACTOR may accept and negotiate such check or payment without prejudice to CONTRACTOR's rights to (i) recover the remaining balance of such unpaid amounts or (ii) pursue any other remedy provided in this agreement. Time is of the essence with respect to the due performance of the terms, covenants and conditions herein contained.

6.9 **HIPAA BUSINESS ASSOCIATE ADDENDUM**

The attached HIPAA Business Associate Addendum is incorporated herein in order to satisfy the requirements of the final and/or amended regulations in compliance with the privacy regulations pursuant to Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996.

IN WITNESS WHEREOF, each of the parties hereto has caused this agreement to be executed on its behalf by its duly authorized officer or other representatives on this _____ day of _____, 2013.

CITY OF EDINA

EXPERT T BILLING

By: _____

By: _____

Bill Schommer

Its: _____

Its: President

By: _____

Its: _____

**HIPAA BUSINESS ASSOCIATE ADDENDUM BETWEEN
THE CITY OF EDINA AMBULANCE
AND
EXPERT T BILLING**

This Business Associate Addendum ("ADDENDUM") is made part of the billing service agreement ("AGREEMENT") to which it is attached between the City of Edina, a Minnesota ("CITY") and Expert T Billing, a Minnesota company ("BUSINESS ASSOCIATE"), to ensure that the parties hereto satisfy the requirements of all final regulations and that the BUSINESS ASSOCIATE shall carry out its obligations under this AGREEMENT in compliance with the privacy regulations pursuant to Public Law 104-191 of August 21, 1996, known as the Health Insurance Portability and Accountability Act of 1996, Subtitle F - Administrative Simplification, Sections 261, *et seq.*, as amended ("HIPAA"), to protect the privacy of any personally identifiable protected health information ("PHI") that is collected, processed or learned as a result of the Billing Services provided hereunder.

**ARTICLE I
Permitted Uses**

- I.1 The BUSINESS ASSOCIATE may use individually identifiable health information PHI received from, or created or received by the BUSINESS ASSOCIATE on behalf of the CITY in accordance with and for purposes of carrying out its obligations under the AGREEMENT or as required by law.
- I.2 Except as otherwise provided in the AGREEMENT or this ADDENDUM, the BUSINESS ASSOCIATE may also:
 - A. Use PHI for the preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of the services provided by the CITY to its patients;
 - B. Use PHI for the preparation of reminder notices and documents pertaining to collections of overdue accounts;
 - C. Submit supporting documentation to carriers, insurers and other payers to substantiate the health care services provided by the CITY to its patients or to appeal denials of payment for same;
 - D. Use PHI received by the BUSINESS ASSOCIATE for the proper management and administration of the BUSINESS ASSOCIATE, or to carry out the legal responsibilities of the BUSINESS ASSOCIATE, provided that such use is permitted by law; and
 - E. Use or disclose PHI as permitted by the HIPAA privacy rule.

ARTICLE II
Business Associate Covenants

- 2.1 The BUSINESS ASSOCIATE covenants to:
- A. Not use or further disclose PHI except as permitted under the AGREEMENT, the Privacy Standards and Minnesota law, as may be amended from time to time;
 - B. Use appropriate safeguards to prevent the use or disclosure of PHI other than as provided for in this ADDENDUM;
 - C. To mitigate, to the extent practicable, any harmful effect that is known to the BUSINESS ASSOCIATE of a use or disclosure of PHI by the BUSINESS ASSOCIATE in violation of this agreement;
 - D. Report to the CITY any use or disclosure of PHI not provided for by this AGREEMENT of which the BUSINESS ASSOCIATE becomes aware;
 - E. Ensure that any agents or subcontractors to whom the BUSINESS ASSOCIATE provides PHI, or who have access to PHI, agree to the same restrictions and conditions that apply to the BUSINESS ASSOCIATE with respect to such PHI;
 - F. Make PHI available to the CITY and to the individual who has a right of access as required under HIPAA within 7 days of the request by the CITY on the individual;
 - G. Incorporate any amendments to PHI when notified to do so by the CITY;
 - H. Provide an accounting of all uses or disclosures of PHI made by the BUSINESS ASSOCIATE as required under the HIPAA privacy rule within 60 days;
 - I. Make its internal practices, books and records relating to the use and disclosure of PHI available to the Secretary of the Department of Health and Human Services for purposes of determining the BUSINESS ASSOCIATE and CITY compliance with HIPAA;
 - J. At the termination or expiration of the AGREEMENT, if feasible, return or destroy all PHI received from, or created or received by the BUSINESS ASSOCIATE on behalf of, CITY which the BUSINESS ASSOCIATE and/or its subcontractors or agents still maintain in any form, and not retain any copies of such information, or if such return or destruction is not feasible, notify the CITY of such event in writing, and extend the protections of the AGREEMENT and this ADDENDUM to the PHI and limit further uses and disclosures to those purposes that make the return or destruction of the PHI infeasible; and
 - K. If the parties electronically exchange individually identifiable health information, maintain the integrity and confidentiality of the transmitted information and protect the information from improper access and otherwise comply with the security standards issued pursuant to HIPAA.

ARTICLE III
Termination

- 3.1 This ADDENDUM will continue while any AGREEMENT remains in effect with the BUSINESS ASSOCIATE.
- 3.2 Notwithstanding anything to the contrary in this ADDENDUM or an AGREEMENT, the CITY may terminate an AGREEMENT immediately upon notice to the BUSINESS ASSOCIATE if the CITY determines that the BUSINESS ASSOCIATE has violated a material term of this ADDENDUM or a provision of the AGREEMENT relating to PHI. The CITY, in its sole discretion, may, but is not required to, provide the BUSINESS ASSOCIATE with an opportunity to cure the breach within a time acceptable to the CITY.
- 3.3 Notwithstanding anything to the contrary in this ADDENDUM or an agreement, the terms of this addendum shall survive termination of an AGREEMENT with respect to the PHI for which return or destruction is not feasible, as provided in Section 2.1, J, of this ADDENDUM.

ARTICLE IV
General

- 4.1 Nothing in this ADDENDUM, including section 2.1, E, shall permit the BUSINESS ASSOCIATE to assign or subcontract any of its rights or responsibilities under this ADDENDUM or the AGREEMENT without the prior written consent of the CITY.
- 4.2 Nothing in this ADDENDUM shall be construed to create any third party beneficiary rights in any person.
- 4.3 This ADDENDUM may not be modified, nor shall any provision hereof be waived or amended, except by a writing signed by both parties.
- 4.4 The CITY is and shall continue to be the owner of all PHI received by the BUSINESS ASSOCIATE from, or created or received by the BUSINESS ASSOCIATE on behalf of, the CITY, including any de-identified information received or created by the BUSINESS ASSOCIATE.
- 4.5 The BUSINESS ASSOCIATE agrees to indemnify and hold the CITY and each of its affiliates, and their officers, directors and employees (the "Indemnified Parties") harmless from and against all claims, causes of action, damages, loss, costs and expenses suffered or incurred by any of the Indemnified Parties and arising out of or related to a breach of this ADDENDUM or the AGREEMENT as it relates to PHI, by the BUSINESS ASSOCIATE.
- 4.6 This ADDENDUM is intended to satisfy the CITY's obligations under the Privacy Standards. If there is a conflict between the terms of this ADDENDUM and any provision of the Privacy Standards, the Privacy Standard provision shall supersede this ADDENDUM, and the BUSINESS ASSOCIATE agrees to comply with such Privacy Standard provision.

- 4.7 This ADDENDUM applies to the AGREEMENT and to any agreement which is entered into hereafter which renews, extends, replaces or succeeds the AGREEMENT, and to any other agreement between the parties for which the Privacy Standards require such language, unless another agreement meeting the requirements of the Privacy Standards is entered into between the parties for such agreement.
- 4.8 The parties agree to take such action as is necessary to amend this ADDENDUM from time to time as is necessary for the CITY to comply with the Privacy Standards and HIPAA.

IN WITNESS WHEREOF, this ADDENDUM shall be incorporated as a part of the duly authorized AGREEMENT by and between the CITY and the BUSINESS ASSOCIATE as recognized by the signatures affixed below on this _____ day of _____, 2013.

CITY OF EDINA

EXPERT T BILLING

By: _____

By: _____

Its: _____

Its: _____