



City Council Report

Date: May 16, 2022
To: City Council
Through: Michael Kennington, Deputy City Manager/Chief Financial Officer
From: Edward Quedens, Business Services Director
Kristy Garcia, Procurement Administrator
Subject: Six-Month Extension and Dollar-Limit Increase to the Term Contract for Medical Billing Services for the Mesa Fire and Medical Department **(Funded by the Ambulance Transport Fund) (Citywide)**

Recommendation

Council is requested to approve the contract amendment as recommended.

The Fire and Medical Department and Purchasing recommend increasing the dollar limit with Daisy Mountain Fire District by \$75,000, from \$400,000 to \$475,000 through December 31, 2022.

Background / Discussion

In November of 2017, the City and Daisy Mountain Fire District (DMFD) entered into the current contract after performance shortfalls with their previous billing contractor.

Business Services – Medical Transport Billing has been working with DMFD to transition medical billing services in-house. Currently, eight (8) Medical Billers handle and process billing services for the City. The City is fully-staffed now, fully-trained, and billing approximately 84%+ of the transports.

DMFD continues to help bring down the backlog. Staff was looking at other options to contract this resource, but that did not work out. DMFD has limited resources but has offered to continue to help the City through the end of 2022 at a per claim cost.

This request also includes monthly charges to use DMFD's billing system and demographic verification system from which Mesa's claims data should be transferred away from by the end of the year.

Purchase Information

Action: Amendment (6-Month Extension and Dollar Limit Increase)
Procurement Type: Competition Exemption (Government Agency)
Contract Number: 2018058
Possible Renewals: None
Funding Source: Revenue through Ambulance Transport Fund

Dollar Limit History

Council Renewal Award (Year 4) – 9/20/2020:	\$340,000.00
Council approved Extension and Increase – 3/21/2022:	\$60,000.00
6-Month Extension and Increase Request – 5/16/2022:	<u>\$75,000.00</u>
New Contract Value (through 12/31/2022):	<u>\$475,000.00</u>