

REQUEST FOR PROPOSAL



City of Kenai
Fire Department
Ambulance Billing Service

Release Date: April 10, 2023

Final Questions Due: April 26, 2023, no later than 4:00 PM

Proposal Due Date: May 2, 2023, no later than 4:00 PM
City of Kenai
210 Fidalgo Street
Kenai, AK 99611



CITY OF KENAI
210 Fidalgo Street • Kenai, Alaska
99611
PHONE: (907) 283-7535

REQUEST FOR PROPOSALS

AMBULANCE BILLING SERVICES

The City of Kenai hereby invites qualified firms to submit proposals to provide medical billing services for ambulance services.

Six (6) copies of the complete technical proposal package are to be submitted no later than 4:00 p.m. local time on May 2, 2023, to the City of Kenai, 210 Fidalgo Street, Kenai, AK 99611, with **one (1)** copy of the Cost Proposal in a separate sealed envelope. Proposals shall be completely sealed in an envelope clearly marked with the company name. The City of Kenai reserves the right to establish any and all elements or terms of this proposal. All proposals submitted shall be binding upon the contractor if accepted by the City of Kenai.

Please note that overnight delivery from the lower 48 states is generally not available to Alaska. Proposers should anticipate a minimum of two (2) to three (3) days delivery time for express, priority or expedited delivery services.

Proposal: Ambulance Billing Services
Due Date: May 2, 2023 – No later than 4:00 PM

**REQUEST FOR PROPOSAL
AMBULANCE BILLING SERVICES
FOR
CITY OF KENAI**

1.0 GENERAL INFORMATION

1.1 Purpose

The City of Kenai, is requesting proposals for the provision of medical billing services for ambulance services. It is the intent of the City to contract with a reliable vendor to provide all aspects of the billing process from the initial billing through, but not including, collection agency services. The City of Kenai provides critical emergency medical services to the public, both advanced life support and basic life support.

1.2 Background

The City of Kenai provides fire, medical, water rescue, search and rescue, and prevention services. The City of Kenai realizes that not all aspects of the billing system can be adequately described within this request for proposal. The City of Kenai will work closely with the successful proposer to develop any other necessary criteria for the most efficient system of billing.

1.3 Questions/Requests for Clarification

Any questions regarding this proposal are to be submitted **in writing** to the City of Kenai Fire Department Administrative Assistant by no later than 4:00 PM local time on April 26, 2023. Questions may be faxed to 907-283-8171 or emailed to rmatthews@kenai.city. The subject line of the email must read: "Questions: Ambulance Billing Services".

Verbal requests for information will not be accepted. Questions or requests for clarification directed to any employee or elected official of the City of Kenai other than the Fire Department Administrative Assistant, may be grounds for disqualification from the process. All questions will be compiled, answered and distributed to all prospective proposers.

1.4 Preparation Costs

The City of Kenai shall not be responsible for proposal preparation cost, nor for cost including attorney fees associated with any (administrative, judicial or otherwise) challenge to the determination of the highest ranked proposer and/or award of contract and/or rejection of proposal. By submitting a proposal, each proposer agrees to be bound in this respect and waives all claims to such costs and fees.

1.5 Timeline

Advertise for Proposals April 9 & 10, 2023
Final Questions Due April 26, 2023
Proposals Due at City of Kenai
210 Fidalgo Street, Kenai, AK 99611, no later than 4:00 PM..... May 2, 2023

2.0 RULES GOVERNING COMPETITION

2.1 Examination of Proposals

Proposers should carefully examine the entire Request for Proposal (RFP) and any addenda thereto, and all related materials and data referenced in the RFP. Proposers should become fully aware of the nature of the work and the conditions likely to be encountered in performing the work.

2.2 Proposal Acceptance Period

Award of this proposal is anticipated to be announced within fifteen (15) calendar days, although all offers must be complete and irrevocable for thirty (30) days following the submission date.

2.3 Confidentiality

The content of all proposals will be kept confidential until the selection of the Contractor is announced. At that time, the selected proposal is open for review by the competing proposers, excluding any tabulations and evaluations thereof. After award of the contract, all proposals, tabulations and evaluations will then become public information.

2.4 Proposal Format

Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of the proposers' capabilities to satisfy the requirements of this RFP. Emphasis should be concentrated on:

- (a) conformance to the RFP instructions;
- (b) responsiveness to the RFP requirements; and
- (c) completeness and clarity of content.

2.5 Signature Requirements

All proposals must be signed. A proposal may be signed by: an officer or other agent of a corporate vendor, if authorized to sign contracts on its behalf; a member of a partnership; an owner of a privately-owned vendor; or other agent if properly authorized by a power of attorney or equivalent document. The name and title of the individual(s) signing the proposal must be clearly shown immediately below the signature.

2.6 Proposal Submission

Six (6) copies of the complete technical proposal package are to be submitted no later than 4:00 p.m. local time on May 2, 2023, to the City of Kenai, 210 Fidalgo Street, Kenai, AK 99611, with **one (1)** copy of the Cost Proposal in a separate sealed envelope. Proposals shall be completely sealed in an envelope clearly marked with the company name. The City of Kenai reserves the right to establish any and all elements or terms of this proposal. All proposals submitted shall be binding upon the contractor if accepted by the City of Kenai.

Please note that overnight delivery from the lower 48 states is generally not available to Alaska. Proposers should anticipate a minimum of two (2) to three (3) days delivery time for express, priority or expedited delivery services.

2.7 Tax Compliance Certificate

City of Kenai Municipal Code requires that businesses or individuals contracting to do business with the City of Kenai must be in compliance with City of Kenai tax provisions. No contract will be awarded to any individual or business found to be in violation of the City of Kenai Municipal Code.

2.8 Licenses and Certifications

Proposers shall include with their proposals copies of all licenses, certificates, registrations and other credentials required for performance under the Ambulance Billing Services agreement. Documentation must be current and must have been issued by or under authority of the State of Alaska or, if documentation is from an outside jurisdiction, such documentation must be accepted as valid by the State of Alaska for performance in Alaska. Such documentation shall include, but is not limited to, Alaska business license, Alaska contractor's license, and applicable professional licenses, registrations and certificates.

2.9 News Releases

News releases pertaining to the award resulting from the RFPs shall not be made without prior written approval of the City Manager.

2.10 Disposition of Proposals

All materials submitted in response to this RFP will become the property of the City of Kenai. One copy shall be retained for the official files of the City of Kenai and will become public record after award of the contract.

2.11 Oral Change/Interpretation

No oral change or interpretation of any provision contained in this RFP is valid whether issued at a pre-proposal conference or otherwise. Written addenda will be issued when changes, clarifications, or amendments to proposal documents are deemed necessary by the City of Kenai.

Proposer shall acknowledge receipt of each addendum in the space provided on the Cost Proposal Form. Only a proposal acknowledging receipt of all addenda may be considered responsive, unless the addendum, in the opinion of the City Manager or the agency head, would have no material effect on the terms of the proposal.

2.12 Modification/Withdrawal of Proposals

Modifications will be accepted by the City of Kenai, and binding upon the responding firm, where the modification:

- (a) Is received by the City of Kenai at the place designated for submission of RFP responses prior to the deadline.
- (b) Is sealed in an envelope clearly stating "Ambulance Billing Services Modification" and the name of the responding firm.
- (c) Is signed by the same individual who signed the original submittal.

Should there be more than one submittal modification from a responding firm, the last modification received prior to the deadline shall be opened and applied to the submittal. All earlier modifications shall be returned to the responding firm unopened.

Any modification, which fails to meet any requirement of this section, shall be rejected and the submittal shall be considered as if no modification had been attempted.

2.13 Late Submissions

PROPOSALS NOT RECEIVED PRIOR TO THE DATE AND TIME SPECIFIED IN THE COVER LETTER WILL NOT BE CONSIDERED.

2.14 Withdrawal of Submittal

At any time prior to the scheduled closing time for receipt of RFP submittals, any responding firm may withdraw their submittal, either personally or by written request. However, a proposal may not be withdrawn after opening without the written consent of the City of Kenai.

2.15 Acceptance – Rejection of Submittal

The City of Kenai may reject any or all proposals if the City Manager determines that it is in the best interest of the City and may waive irregularities, other than the requirements for timeliness and manual signature, if the irregularities do not affect the competitive advantage of any proposer.

If any proposer has interest in more than one proposal, all proposals in which such proposer has interest shall be rejected.

2.16 Choice of Law and Jurisdiction

This RFP shall be governed by the laws of the State of Alaska, and any legal action brought thereon shall be filed in the Third Judicial District at Kenai, Alaska.

2.17 Conflicts of Interests

No member of the governing body of the City of Kenai or other officer, employee or agent of the City who exercises any functions or responsibilities in connection with the carrying out of the project shall have any personal interests, direct or indirect, in any ensuing contract as a result of this Invitation to Bid, **without first disclosing his/her potential conflict, by submitting a letter to the City of Kenai, establishing their “intent to do business with the City of Kenai.”** The contractor for itself and its principal employees, officers, agents, directors or shareholders covenants that neither the contractor nor any of the listed classes of individuals has nor shall acquire any interest, direct or indirect, in the project, direct or indirect, to which the contract pertains which would conflict in any manner or degree with the performance of its work hereunder. The selected bidder further covenants that in its performance of the contract no person having such interest shall be employed, **without first disclosing his/her potential conflict.**

3.0 SCOPE OF WORK

3.1 Term of Proposal Work

The City of Kenai is requesting proposals for the provision of medical billing services for ambulance services during the period starting July 1, 2023 and ending on June 30, 2026, subject to Council approval and appropriation of funds for each fiscal year. The City of Kenai may negotiate one (1) additional two-year extension past June 30, 2026, subject to annual appropriation and mutual agreement between the City of Kenai and Contractor.

3.2 Inflation Factor on Proposal Pricing

The Contractor's costs per run fee may be annually adjusted by mutual agreement to account for inflation. The fee would be adjusted July 1st each fiscal year by the percentage change in inflation of the previous year based upon the U.S. Department of Labor statistics in Anchorage, Alaska. This adjustment will be made by September 1st of each year commencing in the year 2024. The contractor must send a written request for this increase 90 days prior to July 1st of each year.

3.3 Conditions of Scope of Work

- 3.3.1 The Contractor may release information on billing only to the patient or legal guardian, the patient's insurer or other insurers as may be required for claim processing or payment, or as may be required by law.
- 3.3.2 The City of Kenai shall provide the Contractor with a current list of charges and notify the Contractor within five working days of any changes to those charges.
- 3.3.3 The City of Kenai will provide the most accurate and complete patient information they can. The Contractor must realize that the ambulance crews may not be able to acquire all of the needed information; therefore, the Contractor shall be responsible for making a reasonable attempt to acquire any missing information necessary to bill the patient.
- 3.3.4 The Contractor shall provide pre-printed Health Care Financing Administration (HCFA) billing forms, mailing envelopes, and invoices for use by the City of Kenai and shall work with the City of Kenai to develop or modify forms as needed. The Contractor shall be responsible for maintaining an adequate supply of forms.
- 3.3.5 The Contractor is responsible for all other labor, materials including postage, delivery charges, software, computer equipment, and telephone costs, supervision, and other incidentals necessary for the performance under this agreement. The Contractor shall be responsible for keeping accurate and up-to-date records of all bills, payments, and correspondence related to the billing system. The City of Kenai reserves the right, with two working days notice, to perform an audit of said records at the Contractor's place of business during normal business hours, and may require Contractor's attendance at certain board meetings.
- 3.3.6 The Contractor shall prepare and mail an original itemized bill for each patient within five working days of receipt of the patient record. Thereafter, an invoice showing at least the date of service and billing, amount owed, any payment received, and any request for additional information shall be mailed out at intervals of 30, 60, 90, and 120 days. A final notice of payment due shall be sent to the patient after 150 days.
- 3.3.7 If the patient or other person responsible for the payment of the bill has not made any payment within 180 days of the initial billing, the Contractor shall pull these accounts and send them back to the City of Kenai for collection purposes.
- 3.3.8 If the initial bill or subsequent invoice is returned as undeliverable by the post office and the Contractor, after making reasonable attempts to locate the person, is unable to do so, the Contractor shall pull that account and return it to the City of Kenai for collection processing.
- 3.3.9 The Contractor will be responsible for dealing with, negotiating with, and handling dispute resolution, and all appeals with Medicare, Medicaid, and all other insurance payors.

- 3.3.10 The Contractor shall be available at least six hours per day Alaska time between 8am and 5pm, Monday through Friday, excluding holidays, on a fixed schedule approved by the City of Kenai to answer inquiries concerning accounts due. During remaining hours when the Contractor is not available, the Contractor must provide a dedicated phone line with answering machine service. The Contractor shall, at their expense, maintain a toll-free phone number, available from Alaska, to facilitate patient inquiries.
- 3.3.11 The City of Kenai will have the sole authority to determine which of their accounts will be sent to collection, which will be waived, and which will stay in the billing process. The City of Kenai may allow for a time-payment schedule for their accounts. The City of Kenai shall have the sole authority to set any interest charges on their overdue accounts.
- 3.3.12 The Contractor shall adhere to all Federal and State of Alaska laws in regards to billing payors, collectible balances and required write offs. All legally collectible balances are to be billed to applicable payors, in the necessary order, until all applicable payor options have been exhausted. The Contractor is prohibited from discounting or adjusting any fee outside of the required contractual write off unless approved by an authorized representative at the City of Kenai. The amounts of all write offs shall be reported monthly to the City of Kenai.
- 3.3.13 The Contractor will be expected to acquire an assignment of benefits from the patient and bill the insurance provider directly where insurance is available and identified.
- 3.3.14 Where the Contractor provides billing services for both the City of Kenai and another medical care provider to the same patient, all non-designated payments shall be applied to City of Kenai billings first, until the City of Kenai accounts are paid in full, prior to the application of any portion of the payment to the other accounts. Contractor shall mail ambulance billings separately from any other accounts handled by the Contractor.
- 3.3.15 The Contractor shall, on a weekly or on an as-needed basis, deposit all receipts received for ambulance service collections in a designated City of Kenai account.
- 3.3.16 The City of Kenai shall receive the following information in report format on a monthly basis. Reports will be submitted to the City of Kenai Finance Department. The Contractor shall document how they intend to provide this information.
1. Names of patients billed
 2. Dates of service
 3. Dates of billing
 4. Dates payments are received
 5. Amount of charges by patient
 6. Outstanding balances by patient
 7. Outstanding balances by age of account by patient (i.e., 30 days, 60 days, 90 days, etc.)
 8. Outstanding balances by age of account by payor (i.e., 30 days, 60 days, 90 days, etc.)
 9. Amounts received from third party payors
 10. Total amount collected for the month
 11. Accounts for collection including history of billing activities.
 12. Amount of write off per patient and per payor
- 3.3.17 The Contractor shall submit a monthly itemized statement of their charges. Payment by the City of Kenai will be made within 30 days of receipt of such invoice.
- 3.3.18 The City of Kenai fiscal year runs from July 1 through June 30.
- 3.3.19 The designated contract managers shall be the City of Kenai Manager, Finance Director and the Fire Chief.

- 3.3.20 During the calendar year for 2021, there were approximately 796 patients transported by ambulance. This represented \$599,440.20 in billable revenues. In 2022 there were approximately 877 patients transported by ambulance. This represented \$729,989.80 in billable revenues. The City of Kenai does not warrant or guarantee these numbers. The actual number of patients transported may be higher or lower.
- 3.3.21 The Contractor shall be responsible for transferring and setting up in their accounts payable system the current accounts at the beginning of the contract.

4.0 PROPOSAL AND SUBMISSION REQUIREMENTS

To achieve a uniform review process and obtain the maximum degree of comparability, it is required that the proposals be organized in the manner specified below:

4.1 Letter of Transmittal

- Briefly state your firm's understanding of the services to be performed and make a positive commitment to provide the services as specified.
- List name(s) of the person(s) who are authorized to make representations for your firm, their titles, address and telephone numbers.
- The letter must be signed by a corporate officer or other individual who has the authority to bind the firm.

4.2 Qualification, Experience and Resources of Firm

- 4.2.1 The Contractor shall submit as a part of their proposal satisfactory evidence of the proposer's financial resources, their experience, their performance in completing other projects or work of a similar nature, and the organization and equipment they have available for the performance of this contract.
- 4.2.2 Provide at least five (5) references for other clients which your firm has provided the same or similar services. Include a point of contact, telephone number, and a brief description of the services provided. Alaskan references preferred and preference, resulting in higher weighted scoring, will be given to contractors with substantial Alaskan experience.
- 4.2.3 At least five (5) years of medical billing for either ambulance, clinic, physician, or hospital billings.
- 4.2.4 At least five (5) years of experience in medical insurance filing to include manual and electronic billing methods. Familiarity with all aspects of private and public medical insurance programs is required.
- 4.2.5 At least five (5) years of experience in dealing with, negotiating with, handling dispute resolution with Medicare, Medicaid and other insurance payors.
- 4.2.6 Thorough knowledge of the current regulations being phased in by the Health Care Financing Administration (HCFA).
- 4.2.7 May not have had any disciplinary actions taken against them by a professional licensing agency of a state or federal government, for fraud or other charges by a government or private insurer. State any open investigations, if any.
- 4.2.8 Provide company details for HIPAA compliance / security measures and include employee training requirements.

- 4.2.9 The contractor must have certified ambulance coders on staff who are familiar with billing compliance issues.
- 4.2.10 It is preferred that the contractor be able to collect in all 50 states.

4.3 Key Staff

Identify key project staff expected to provide services on behalf of the firm. Proposer shall attach resumes detailing past work experience and education in the field of medical or other billing systems and insurance programs for each employee that will be involved with the execution of this contract. Special attention should be paid to detailing each of the different insurance providers with which the employee has had specific working experience.

The Contractor shall notify the City of Kenai of any changes in the primary employee(s) responsible for the contract performance. The Contractor shall ensure the new employee(s) are at least as qualified as the replaced employee(s).

4.4 Methodology and Approach

Provide detailed information on the firm's methodology in meeting the scope of work requirements identified in Section 3.0. Describe overall approach to include any special considerations, which may be envisioned.

4.5 Cost/Fee Schedule

One (1) copy of the Cost Proposal Form shall be submitted in a separate sealed cover and plainly marked "Ambulance Billing Service – Cost Proposal". The cost proposal shall be based on a fee amount per transport (and shall be all inclusive of overhead, G&A, fringe benefits, profit, insurance, etc.).

The Contractor shall state as a separate fee any costs for transferring and setting up in their accounts payable system the current accounts at the beginning of this contract.

5.0 EVALUATION CRITERIA AND PROCESS

A committee of individuals representing the City of Kenai will perform an evaluation of the proposals. The committee will rank the proposals as submitted. The City of Kenai reserves the right to award a contract solely on the written proposal.

The City of Kenai also reserves the right to request oral interviews with the highest ranked firms (short list). The purpose of the interviews with the highest ranked firms is to allow expansion upon the written responses. If interviews are conducted, a maximum of three (3) firms will be short-listed. A second score sheet will be used to score those firms interviewed. The final selection will be based on the total of all evaluators scores achieved on the second rating. The same categories and point ranges will be used during the second evaluation as for the first. The highest ranked proposer after the second scoring, if performed, may be invited to enter into final negotiations with the City of Kenai for the purposes of contract award.

The evaluation committee will forward a recommendation for contract award based on points awarded. The firm, whose proposal is ranked highest, may be invited to enter into final negotiations with the City of Kenai for the purposes of contract award.

5.1 Criteria

The criteria to consider during evaluations, and the associated point values, are as follows:

Qualifications, Experience and Resources	30 points
Key Staff	20 points
Methodology and Approach	25 points
Cost/Fee Schedule	<u>25 points</u>
Total Available	100 points

5.2 Qualitative Rating Factor

Firms will be ranked using the following qualitative rating factors, excluding cost, for each RFP criteria.

1.0	Outstanding
.8	Excellent
.6	Good
.4	Fair
.2	Poor
0	Unsatisfactory

The rating factor for each criteria category will be multiplied against the points available to determine the total points for that category.

6.0 SELECTION PROCESS

The Proposer with the highest total evaluation points may be invited to enter into contract negotiations with the City of Kenai. If an agreement cannot be reached with the highest ranked Proposer, the City of Kenai shall notify the proposer and terminate the negotiations. If proposals are submitted by one or more proposers determined to be qualified, negotiations may then be conducted with such other proposers in the order of their respective rankings. This process may continue until successful negotiations are achieved. The City of Kenai reserves the right to reject any and all proposals submitted.

7.0 APPEAL PROCESS

A proposer adversely affected by the provisions of Chapter 7.15 of the City of Kenai Municipal Code, or regulations promulgated there under, or by any acts of the City of Kenai in connection with the award of this contract may file a bid protest personally with the City of Kenai within five (5) business days after the notice of intent to award is provided. This appeal must comply with the requirements of the City of Kenai Municipal Code 7.15.120 and may be hand delivered, delivered by mail, or by facsimile at 907-283-8171.

8.0 SAMPLE CONTRACT OR MINIMUM MANDATORY CONTRACT PROVISIONS

In addition to carefully reading all of the information in the RFP, all Proposers must carefully read and review the attached sample contract. The successful Proposer shall be required to enter into a Contract with the City of Kenai, which will be substantially similar to the sample.

Therefore, the Proposer must identify any proposed changes to the sample Contract consistent with Section 1.3 of this RFP.

IF NO CHANGES ARE MADE, THE PROPOSER SHALL BE DEEMED TO HAVE ACCEPTED THE SAMPLE CONTRACT. IF THE RESPONDENT MAKES CHANGES, SUCH CHANGES WILL BE CONSIDERED IN ANY NEGOTIATIONS WITH THE CITY OF KENAI. CHANGES MADE TO THE SAMPLE CONTRACT SHALL NOT BE CONSIDERED DURING PROPOSAL EVALUATIONS.

**CITY OF KENAI
COST PROPOSAL
Ambulance Billing Service**

ACKNOWLEDGEMENT

In submitting this proposal, we certify that we have examined the specifications documents, have received Addenda Nos. ☐ ☐ ☐ ☐ ☐ , and have included their provisions in our proposal.

1. **Fee per transport** to provide Ambulance Billing Services \$ _____
Numerical Amount
2. **Conversion/Set-up:** Cost for transferring and setting up
each current and new account (if applicable) \$ _____
Numerical Amount

SIGNATURE REQUIREMENT

Firm Name _____

Address _____

City _____ State _____ Zip _____

Telephone _____ Fax _____

Representative _____ Title _____

Email Address _____

The undersigned has read the foregoing and hereby agrees to the conditions stated therein by affixing his/her signature below:

Signature of Authorized Company Representative **Date**

**SAMPLE
AGREEMENT FOR AMBULANCE BILLING SERVICES**

THIS AGREEMENT, made and entered into this ____ day of _____ 202__, by and between the CITY OF KENAI and _____, located at _____ (“the Contractor”).

1. Term of Agreement. The term of this Agreement shall be from July 1, 2023, through June 30, 2026. Total agreement term is three (3) years subject to Council appropriations, with one two-year (2) extension pending Council appropriations and mutual agreement of the City of Kenai and the Contractor.

2. Scope of Services. The following attachments are incorporated as if fully set forth herein by this Agreement:

Attachment A – Request for Proposals
Attachment B – Contractor’s Proposal
Attachment C – Contractor’s Cost Proposal
Attachment D – Business Associate Addendum

3. Contractor’s Duties. The Contractor shall manage and provide all aspects of the City of Kenai ambulance billing process from initial billing up through but not including collection agency services. All services shall be in compliance with the contractual terms and conditions set out through this Agreement. Those aspects of the billing system which are not specifically described in detail within the express language of this Agreement shall be developed through the concerted action of the City of Kenai and the Contractor as necessary to provide for the most efficient system of billing.

The Contractor shall be responsible for transferring and setting up in their accounts payable system the current accounts at the beginning of the contract.

4. Compensation and Payment. Contractor’s sole compensation for all work performed under this agreement shall be as set forth in Attachment C, as per fee amount per transport and conversion/set up fee stated in Contractor’s Cost Proposal. Contractor shall submit a monthly invoice with the monthly balance sheet which sets out the adjusted gross collections. The City of Kenai shall remit payment within 30 days of receipt of invoice.

The transport fee of the Contract may be annually adjusted to account for inflation. The fee would be adjusted July 1st each fiscal year by the percentage change in inflation of the previous year based upon the U.S. Department of Labor statistics in Anchorage, Alaska. This adjustment will be made by September 1st of each year commencing in the year 2024. The contractor must send a written request for this increase 90 days prior to July 1st of each year.

5. City of Kenai Representatives. The City of Kenai representatives for contact regarding medical billing services under this Agreement are as follows:

- Terry Eubank, City Manager, 210 Fidalgo Street, Kenai, Alaska 99611
- Larry Semmens, Finance Director, 210 Fidalgo Street, Kenai, Alaska 99611
- Tony Prior, Fire Chief, 105 South Willow Street, Kenai, Alaska 99611

6. Contractor Representatives. The Contractor representatives for contact regarding this agreement are: _____, located at _____

7. Equipment and Personnel. Contractor shall furnish all materials, equipment, and labor necessary to provide for the specified services. Except as otherwise provided in this Agreement, Contractor shall have full control over the selection of equipment.

8. Reports and Methodology. The Contractor shall provide the City of Kenai with all reports described in this Section and shall operate according to the methodology as set forth below:

BILLING SERVICES SPECIFICATIONS

Contractor agrees to perform billing services in compliance with the following specifications:

MONTHLY REPORTS

Detailed Summary Sheet. This report shows every transaction posted to a patient's account on a daily basis which includes the date of service, patient's name, amount of charges, payments, and adjustments. The last page of the report shows the total amount posted for the day in charges, payments, and adjustments.

Revenue/Deposit Summary Report. This report lists payments received within the month by revenue code (type of payor) and total amount received for that month at the end of the report. This report is generated at month-end.

Adjusting Credit/Debit Reports. This report shows all adjustments posted to accounts with a description of why that adjustment was made. It shows the total credit and debit amounts adjusted for the month at the end of the report. This report is generated at month-end.

Monthly Balance Sheets. This report summarizes all transactions by date they were posted during the month, totals for all charges, payments, and adjustments. This report is generated at month-end.

Aging Accounts. There are two reports in this section. The first report shows all patients who have a balance due by age (i.e. 30 days, 60 days, 90 days, etc.). This report does not show credit balances. It can be generated at any time. The second aging report shows outstanding balances by age by payor (i.e. 30 days, 60 days, 90 days, etc.).

The City of Kenai reserves the right to request other reports as may be needed during the Contract term.

ACCOUNT FOLLOW-UP PROCEDURES

Patients with Insurance. The Contractor shall prepare and mail (or transmit electronically) to the patient's insurance carrier, an original itemized bill for each patient within five (5) working days of receipt of the patient record. All claims submitted to insurance companies shall be reviewed at the appropriate intervals to ensure correct and timely processing. If the patient has a secondary or tertiary insurance coverage, those companies shall also be billed directly by the Contractor. If, after all insurance companies have processed the claim, there is still an amount owed which can legally be billed to the patient, a statement containing the original date of service, billed amounts, and insurance coverages shall be mailed to the patient. Contractor is authorized and must be available to discuss with any patient or legal guardian the option of a payment plan for the remaining self-pay account balance if they are unable to pay in full. If any proposed payment plan is questionable, the Contractor will consult with the City of Kenai to make a final decision.

Self-pay patients. These accounts are handled primarily the same as insurance, but because they do not have the same resources, Contractor will attempt to work out an agreement that best meets the needs the City of Kenai and the patient. Contractor is authorized and must be available to discuss with any patient or legal guardian the option of a payment plan for the account balance if they are unable to pay in full. If any proposed payment plan is questionable, the Contractor will consult with the City of Kenai to make a final decision.

Standard follow up procedure for self-pay patients are:

- A. Patient is billed the same day as charges posted.
- B. If not paid by month-end, a statement will be sent.
- C. Payment required within thirty days.

- D. If not paid, Contractor will call patient to discuss patient's intentions and/or desires.
- E. At 60 days, past due notice.
- F. At 90 days, past due notice.
- G. At 120-150 days, final notice.
- H. Accounts still pending after 150 days, with no payment plan established will be returned to the City of Kenai for determination of further action.

9. Insurance. The Contractor shall have and agrees to maintain in force for the duration of this Agreement, at the Contractor's own expense, the following insurance for the services performed under this Agreement including services performed under Attachment D (Business Associate Addendum):

A. Commercial general liability coverage in the minimum amount of \$1,000,000;

B. Cyber Liability/Network Security Coverage:

- Each event coverage limit in the amount of \$1,000,000
- Notification expense coverage in the amount of \$100,000;

C. Errors & Omissions Liability coverage:

- Each event coverage limit in the amount of \$1,000,000; and

D. Workers' Compensation benefits and Employers' Liability insurance for all persons performing work under this Agreement in accordance with applicable state and federal laws, including but not limited to AS 23.30.045, with a waiver of subrogation.

The policies described above, except Workers' Compensation and Errors & Omissions, shall name the City of Kenai, its officers, employees, and agents as additional insureds. The policies must state that the coverage is primary and exclusive of any insurance carried by the City of Kenai. In the event the insurance coverage obtained by the Contractor exceeds that required by this agreement, that coverage must extend to the benefit of the City of Kenai. The existence of insurance coverage does not limit the Contractor's obligation for indemnity set out below.

All policies and certificates of insurance shall provide that a written notice of any cancellation or modification will be delivered to the City of Kenai at least 30 days prior to such cancellation or modification.

Prior to execution of this Agreement, a certificate of insurance evidencing such additional insured status will be required.

10. Indemnification. To the extent allowed by law, the Contractor shall indemnify, defend and hold harmless the City of Kenai, its Council, boards, officers, and employees for the entire amount of any and all claims, suits, or actions of any nature resulting, in total or in part, from the activities or the omissions of the Contractor, their officers, agents or employees arising under or in connection with performance of this Agreement including Attachment D (Business Associate Addendum). This obligation of indemnification is not limited by insurance coverage obtained by the Contractor.

11. Compliance with applicable law. The Contractor will comply with all applicable federal, state, and local law and regulations including but not limited to wages, taxes, social security, workers' compensation, nondiscrimination, licenses, registration requirements, and similar provisions governing employment of individuals. The Contractor understands that by providing billing services for the City of Kenai, the Contractor will be subject to the same responsibilities and obligations of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (the "HITECH Act"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations"). The Contractor shall execute the Business Associate Addendum, attached hereto as Attachment D, prior to providing ambulance billing services under this Agreement. The Contractor agrees to comply with the privacy and security obligations regarding

Protected Health Information set forth in HIPAA and HITECH Act and as otherwise required by law, at all relevant times in the performance of its services on behalf of the Covered Entities, and to provide the Covered Entities with specific information and/or documentation as to its compliance at any time upon a reasonable request.

12. Termination of Agreement for Cause. If, through any cause, the Contractor shall fail to satisfy in a timely and proper manner its obligations under this Agreement, including Contractor's obligations Attachment D (Business Associate Addendum), the City of Kenai shall have the right to terminate this Agreement by giving written notice to Contractor of such termination. In such event, all finished or unfinished work, services, plans, data programs, and reports prepared by Contractor under this Agreement shall become the City of Kenai's property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed.

Notwithstanding the above, the Contractor shall not be relieved of liability to the City of Kenai for damages sustained by the City of Kenai by virtue of the Contractor's breach of contract, and the City of Kenai may withhold any payments until such time as the exact amount of damages to the City of Kenai is determined.

13. Termination of Agreement for Convenience. The City of Kenai may terminate this Agreement or any portion thereof at any time and for any reason whatsoever by giving written notice to the Contractor of such termination and specifying the effective date thereof, as least thirty (30) days before the effective date of such termination. In such event, all finished or unfinished work, services, plans, data programs, and reports prepared by Contractor under this Agreement shall become the City of Kenai's property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed.

Notwithstanding the above, in no event shall a termination for convenience be deemed a default by the City of Kenai under this agreement, and a termination for convenience shall not subject the City of Kenai to any penalty, claim for damages or any other claim of any type by Contractor.

14. Nondiscrimination. The parties to this Agreement agree that they are bound by the laws of the State of Alaska regarding discrimination, and that neither party will discriminate against any person based upon race, creed, national origin, or sex, in the performance of this agreement.

15. Nonassignability. This Agreement is not assignable without the written consent of the other party.

16. Severability. In the event a provision of this Agreement is found to be unenforceable or void for any reason, it shall be considered as severed from this Agreement. The remaining portions of this Agreement shall stand as if that provision had never been included in the Agreement. In the event the unenforceable or void provision is essential to the continuing existence of the contract, the parties shall attempt to negotiate a reasonable replacement provision.

17. Entire Agreement. This Agreement comprises the final and completely integrated agreement between the parties.

18. Modifications. This Agreement may only be modified in a writing which makes specific reference to this Agreement and is signed by both parties. This requirement may not be modified verbally.

19. Jurisdiction: Choice of Law. Any civil action arising from this Agreement shall be brought in the superior court for the Third Judicial District of the State of Alaska at Kenai. The law of the State of Alaska shall govern the rights and obligations of the parties.

20. Licenses. The Contractor currently holds and agrees to keep in force for the duration of this Agreement an Alaska business license.

21. Legal Notices. All legal notices relating to this Agreement, including change of address, shall be mailed to the City of Kenai and the Contractor at the following addresses:

City of Kenai
Legal Department
210 Fidalgo Street
Kenai, AK 99611

Contractor

22. Other Terms and Conditions.

A. All records, documents, bills, correspondence, and other records of billing supplied to the Contractor by the City of Kenai remain the property of the City of Kenai; and upon termination of the contract, the Contractor shall return all copies of all such records or documents to the City of Kenai.

B. The Contractor may release information on billing only to the patient or legal guardian, the patient's insurer or other insurers as may be required for claim processing or payment, or as may be required by law. The Contractor is aware and agrees that information concerning patients is confidential. The Contractor agrees to properly safeguard confidential information and agrees not to release any information concerning a patient, except as specifically provided in this Agreement, in the Business Associate Addendum (Attachment D), or upon written approval from the City of Kenai.

C. The City of Kenai shall provide the Contractor with a current list of charges and notify the Contractor within five working days of any changes to charges.

D. The City of Kenai will provide the most accurate and complete patient information they can. The Contractor acknowledges that the ambulance crews may not be able to acquire all of the needed information; therefore, the Contractor agrees that it shall be responsible for making reasonable attempts to acquire any missing information necessary to bill the patient and the insurer.

E. The Contractor shall provide pre-printed Health Care Financing Administration (HCFA) billing forms, mailing envelopes, and invoices for use by the City of Kenai. The City of Kenai shall work with the Contractor to develop or modify forms as needed. The Contractor shall be responsible for maintaining an adequate forms inventory.

F. The Contractor is responsible for all other labor, materials including postage, delivery charges, software, computer equipment, and telephone costs, supervision, and other incidentals necessary for the performance under this agreement. The Contractor shall be responsible for keeping accurate and up-to-date records of all bills, payments, and correspondence related to the billing system. Staff of the City of Kenai reserve the right, with two working days' notice, to perform an audit of said records at the Contractor's place of business during normal business hours and may require Contractors attendance at certain board meetings.

G. The Contractor will be responsible for dealing with, negotiating with, and handling dispute resolution and all appeals with Medicare, Medicaid, and all other insurance payors.

H. The Contractor shall be available at least six (6) hours per day, Monday through Friday, holidays excepted, on a fixed schedule approved by the City of Kenai to answer inquiries concerning accounts due. During normal business hours when the Contractor is not available, the Contractor must provide a dedicated phone line with answering machine service. The Contractor shall, at their expense, maintain a toll-free phone number, available from Alaska, to facilitate patient inquiries.

I. The City of Kenai will have the sole authority to determine which of their accounts will be sent to collection, which will be waived, and which will stay in the billing process. The City of Kenai may allow for a time-payment schedule for their accounts. The City of Kenai shall have the sole authority to set any interest charges on their overdue accounts.

J. The Contractor shall adhere to all Federal and State of Alaska laws in regards to billing payors, collectible balances and required write offs. All legally collectible balances are to be billed to applicable payors, in the necessary order, until all payor options for each patient have been exhausted. The Contractor is prohibited from discounting or adjusting any fee outside of the required contractual write off unless approved by an authorized representative at the City of Kenai. The amounts of all write offs shall be reported monthly to the City of Kenai.

K. Contractor shall be responsible for the implementation of an accounts receivable program that will mail bills or statements, at its expense, at regular intervals and maintain follow-up on all accounts.

L. The Contractor shall acquire an assignment of benefits from the patient and bill the insurance provider directly where insurance is available and identified.

M. Where the Contractor provides billing services for both the City of Kenai and another medical care provider to the same patient, all non-designated payments shall be applied to the City of Kenai billing first, until the City of Kenai accounts are paid in full, prior to the application of any portion of the payment to the other accounts. Contractor shall mail ambulance billings separately from any other accounts handled by the bidder.

N. The Contractor shall, on a weekly or on an as-needed basis, deposit all receipts received for ambulance service collections in a designated City of Kenai account.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed in their respective names or by their duly authorized representatives as of the date and year above written.

CITY OF KENAI

CONSULTANT

Terry Eubank, City Manager

Name and Title of Officer (printed or typed)

Date: _____

Company Name (printed or typed)

Signature

Date: _____

Name and Title of Second Officer (printed or typed)

Signature

Date: _____

ATTEST:

AGREEMENT AND ATTACHMENTS
TO ORIGINAL APPROVED AS TO
FORM AND LEGAL SUFFICIENCY:

Notary Name

Scott Bloom, City of Kenai Attorney

ACKNOWLEDGMENTS

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 20____, by _____, Manager of the City of Kenai for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

(Notary Seal)

CORPORATION

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by (name) _____, the (title of officer) _____ of (name of corporation) _____, an Alaska Corporation, for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

(Notary Seal)

SECOND CORPORATE OFFICER

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 20____, by (name) _____, the (title of officer) _____ of (name of corporation) _____, an Alaska Corporation, for and on behalf of the corporation.

Notary Public for State of Alaska
My Commission Expires: _____

(Notary Seal)

LIMITED LIABILITY COMPANY

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____, by (name) _____, the (member/manager) _____ of (name of LLC) _____, an Alaska Limited Liability Company, for and on behalf of the LLC.

Notary Public for State of Alaska
My Commission Expires: _____

(Notary Seal)

PARTNERSHIP

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____ 20____, by
(name of partner or agent) _____, partner (or agent) of (name of
partnership) _____ for and on behalf of the partnership.

Notary Public for State of Alaska
My Commission Expires: _____

(Notary Seal)

SOLE OWNERSHIP

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this ____ day of _____ 20__, by
(name) _____, dba _____.

Notary Public for State of Alaska
My Commission Expires: _____

(Notary Seal)

ATTACHMENT D
BUSINESS ASSOCIATE ADDENDUM
BETWEEN CITY OF KENAI AND (_____)

This Business Associate Addendum ("Addendum") supplements and is made part of the Ambulance Billing Agreement between the City of Kenai and (vendor _____ (" ")). This Addendum is executed to ensure that (vendor's abbreviated name) will appropriately safeguard protected health information that is created, received, maintained, or transmitted on behalf of City of Kenai in compliance with the applicable provisions of 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,") and with the Public Law 111-005 of February 17, 2009, known as the American Recovery and Reinvestment Act of 2009, Title XII, Subtitle D – Privacy, Sections 13400, *et seq.*, the Health Information Technology and Clinical Health Act, as amended (the "HITECH Act").

WHEREAS, the City of Kenai wishes to disclose certain information to (vendor's abbreviated name) ("Business Associate") pursuant to the terms of the Ambulance Billing Agreement, some of which may constitute Protected Health Information ("PHI"); and

WHEREAS, Covered Entity and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Ambulance Billing Agreement in compliance with HIPAA, the HITECH Act, and regulations promulgated thereunder by the U.S. Department of Health and Human Services (the "HIPAA Regulations"), and other applicable laws; and

WHEREAS, as part of HIPAA, the HITECH Act, and the HIPAA Regulations, Covered Entity is required to enter into a contract with Business Associate containing specific requirements prior to the disclosure of PHI; this Addendum is that contract;

THEREFORE, THE CITY OF KENAI AND (vendor's abbreviated name) AGREE AS FOLLOWS:

A. General Provisions.

1. Meaning of Terms. The terms used in this Agreement shall have the same meaning as those terms defined in HIPAA, the HITECH Act, and the HIPAA Regulations.
2. Covered Entity. The City of Kenai is the Covered Entity for purposes of this Addendum. When the term "Covered Entity" is used in this Addendum it shall be understood to refer to the City of Kenai Service Area.
3. Regulatory References. Any reference in this Addendum to a regulatory section means the section currently in effect or as amended.
4. Interpretation. Any ambiguity in this Addendum shall be interpreted to permit compliance with HIPAA, the HITECH Act, and HIPAA Regulations.

B. Obligations of Business Associate.

(vendor's abbreviated name) ("Business Associate") agrees that it will:

1. Not use or further disclose PHI other than as permitted or required by this Addendum or as required by law.
2. Use appropriate safeguards and comply, where applicable, with the HIPPA Security Rule with respect to electronic protected health information ("e-PHI") and implement appropriate physical, technical and administrative safeguards to prevent use or disclosure of PHI other than as provided for by this Addendum.
3. Report to Covered Entities any use or disclosure of PHI not provided for by this Addendum of which it becomes aware, including any security incident (as defined in the HIPPA Security Rule) and any breaches of unsecured PHI as required by 45 CFR §164.410. Breaches of unsecured PHI shall be reported to Covered Entities without unreasonable delay but in no case later than 60 days after discovery of the breach.
4. In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information.
5. Make PHI in a designated record set available to Covered Entities and to an individual who has a right of access in a manner that satisfies Covered Entities' obligations to provide access to PHI in accordance with 45 CFR §164.524 within 30 days of a request.
6. Make any amendments(s) to PHI in a designated record set as directed by Covered Entities, or take other measures necessary to satisfy Covered Entities' obligations under 45 CFR §164.526.
7. Maintain and make available information required to provide an accounting of disclosures to Covered Entities or an individual who has a right to an accounting within 60 days and as necessary to satisfy Covered Entities' obligations under 45 CFR §164.528.
8. To the extent that Business Associate is to carry out any of Covered Entities' obligations under the HIPPA Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entities when they carry out that obligation.
9. Make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entities available to the Secretary of the Department of Health and Human Services for purposes of determining Business Associate and Covered Entities' compliance with HIPAA and the HITECH Act.
10. Restrict the use or disclosure of PHI if Covered Entities notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entities have agreed to or is required to abide by under 45 CFR §164.522.
11. If the Covered Entities are subject to the Red Flags Rule (found at 16 CFR §681.1 *et seq.*), Business Associate agrees to assist Covered Entities in complying with its Red

Flags Rule obligations by: (a) implementing policies and procedures to detect relevant Red Flags (as defined under 16 CFR §681.2); (b) taking all steps necessary to comply with the policies and procedures of Covered Entities' Identify Theft Prevention Program; (c) ensuring that any agent or third party who performs services on its behalf in connection with covered accounts of Covered Entities agrees to implement reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft; and (d) alerting Covered Entities of any Red Flag incident (as defined by the Red Flag rules) of which it becomes aware, the steps it has taken to mitigate any potential harm that may have occurred, and provide a report to Covered Entities of any threat of identity theft as a result of the incident.

The specific uses and disclosure of PHI that may be made by Business Associate on behalf of Covered Entities include:

1. The preparation of invoices to patients, carriers, insurers and others responsible for payment or reimbursement of the services provided by Covered Entities to its patients;
2. Preparation of reminder notices and documents pertaining to collections of overdue accounts;
3. The submission of supporting documentation to carriers, insurers and other payers to substantiate the healthcare services provided by Covered Entities to its patients or to appeal denials of payment for the same; and
4. Other uses or disclosures of PHI as permitted by HIPAA necessary to perform the services that Business Associate has been engaged to perform on behalf of Covered Entities.

D. **Term.** This Addendum shall have a term equal to the term of the Ambulance Billing Agreement (as such Agreement may be amended, extended, renewed, renegotiated or replaced with an agreement with an extended term) unless terminated earlier as provided for in Section E below.

E. **Termination.**

1. The City of Kenai may terminate this Addendum and the Ambulance Billing Agreement if the City of Kenai determines that Business Associate has violated a material term of this Addendum.
2. If either party knows of a pattern of activity or practice of the other party that constitutes a material breach or violation of the other party's obligations under this Addendum, that party shall take reasonable steps to cure the breach or end the violation, as applicable, and, if such steps are unsuccessful, terminate the Addendum and the Ambulance Billing Agreement if feasible.
3. Upon termination, Business Associate shall return to Covered Entities or destroy all PHI received from Covered Entities, or created, maintained, or received by Business Associate on behalf of Covered Entities that Business Associate still maintains in any form. Business Associate shall retain no copies of the PHI. If return or destruction is infeasible, the protections of this Addendum will extend to such PHI.

CITY OF KENAI

(insert vendor's 's full legal name)

Terry Eubank, City Manager

(insert name of person authorized to sign
for organization and their title)

Date

Date

(determine if one person is authorized to sign for vendor, if not, then add signature block for second corporate officer and also add additional notary block)

ATTEST:

APPROVED AS TO FORM
LEGAL SUFFICIENCY:

City of Kenai Clerk

Scott Bloom, City of Kenai Attorney

NOTARY ACKNOWLEDGMENT

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me this _____ day of _____, 201__, by Terry Eubank, Manager of the City of Kenai for and on behalf of the corporation.

Notary Public in and for Alaska

My commission expires: _____

NOTARY ACKNOWLEDGMENT

[if signee is out of state change to correct state]

STATE OF ALASKA)

THIRD JUDICIAL DISTRICT) ss.
)

The foregoing instrument was acknowledged before me this ____ day of _____ 201__, by,
(insert name of person authorized to sign for vendor) (insert title of signee), an (insert type of entity),
for and on behalf of the (insert business type).

Notary Public in and for Alaska
My commission expires: _____