



CITY OF HOUSTON
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September 8, 2010

SUBJECT: **Letter of Clarification 4**

REFERENCE: **Request for Proposal No.: S46-T23724 for Emergency Medical Services Patient Management System – ePCR and Billing and Collections**

TO: **All Prospective Bidders:**

This Letter of Clarification is issued for the following reasons:

- **To response to vendor questions as follows:**

1	Vendor Question	How many EMS transports did the City make in 2009?
	COH Response	136, 502 in 2009 and 130,558 in 2010.
2	Vendor Question	What were the gross billings in dollars in 2009?
	COH Response	\$74 million in 2009, \$68.5 million in 2010.
3	Vendor Question	In 2009, what was the City's payer mix (percentage) for charges as follows:
		a. Medicare b. Medicaid c. Private Insurance d. Self-Pay
	COH Response	Medicare -- 27% Medicaid -- 18% Private Ins -- 21% Self Pay -- 34%
4	Vendor Question	In 2009, what was the City's payer mix (percentage) for payments as follows:
		a. Medicare b. Medicaid c. Private Insurance d. Self-Pay
	COH Response	See revenue trend analysis on SPD website.
5	Vendor Question	In November of 2007, an article was released stating that a new 7-year contract for EMS billing had been signed between ACS and the City of Houston. In reference to that article: Is ACS the present EMS transport billing vendor for the City?

	COH Response	Yes
6	Vendor Question	If not, who is the current vendor?
	COH Response	N/A
7	Vendor Question	What does your current EMS billing vendor charge the City for services?
	COH Response	Base charge of 14% plus the opportunity to earn an additional 6% based on productivity targets.
8	Vendor Question	When does your current billing contract expire?
	COH Response	Contract has 30 day cancellation clause.
9	Vendor Question	Is the current vendor using offshore resources?
	COH Response	The vendor currently has staff in Houston and in NY. We do not know if any support staff is offshore.
10	Vendor Question	How does the City's current vendor receive patient health insurance information? Face sheets? Directly from hospitals? Other means?
	COH Response	Insurance information is collected at the time of transport on the tablet, is obtained by on response to invoice or is determined by the vendor based on sweeps of the insurance companies.
11	Vendor Question	What is the average loaded mileage distance within the City?
	COH Response	Please clarify?
12	Vendor Question	Who is the City's current ePCR vendor? Is the City satisfied with that ePCR platform or does the City intend to switch to a new ePCR platform? If the City intends to switch, does the City have an ePCR platform preference?
	COH Response	The EMS position on our ePCR platform is clearly identified in the RFP.
13	Vendor Question	What percentage of the City's 2009 transports were coded BLS? ALS1? ALS2?
	COH Response	ALS 1 18.30% ALS 1 (No Treatment) 3.50% ALS 1 Emergency 7.80% ALS 2 Emergency 3.90% BLS Emergency 3.30% BLS Transport 24.70% BLS Transport (No Treatment) 26.00% BLS w/ ALS 4.40% BLS w/ ALS (No Treatment) 5.00% BLS w/ ALS Emergency 3.00% MCI Transport 0.10%
14	Vendor Question	What are the City's primary transport hospitals and/or the primary hospital systems to which patients are transported?
	COH Response	Any Hospital's E.R. in the Houston area, which has been approved by HFD's Medical Director, where the patient's desire to be taken isn't overridden by Medical Protocols.
15	Vendor Question	The current charge rate for all transports is \$415; are there any plans for a rate increase in the future?

	COH Response	We are recommending a fee increase to the City council. We are unable to speculate on the timing of an approval or implementation.
16	Vendor Question	Is it absolutely necessary that the ePCR software solution shall be NEMESIS Gold Standard?
	COH Response	Yes.
17	Vendor Question	Does the COH amortization schedule for the current hardware include warranty, maintenance, etc. costs? If not please specify what your current annual warranty and maintenance costs for hardware are.
	COH Response	Yes.
18	Vendor Question	Is it the City's intention to take ownership (perpetual use license) of the ePCR software system at the end of the first 3 year term, at the end of the 2 extensions or not at all?
	COH Response	As soon as the amortization schedule has matured and the COH has purchased everything for \$1.
19	Vendor Question	What is the City's total EMS call volume including transports, cancelled calls, treat and release, etc?
	COH Response	HFD averages 12,500 Transports per month. Any other HFD runs are irrelevant for EMS Billing.
20	Vendor Question	Would an established backup from the ePCR server to HFD's server be acceptable as opposed to a direct backup from the field unit in order to avoid potential bandwidth issues in the field?
	COH Response	The flow of data must be the following: From field laptops to an encrypted Hosted Server. Once decrypted, simultaneously sent to the Hosted SQL Server and the HFD SQL Server.
21	Vendor Question	Is HFD looking for the proposed system to be NFIRS compliant/capable or just that a fully integrated NFIRS reporting module may be added at a later date?
	COH Response	NFIRS Compliant.
22	Vendor Question	Can you advise how many medical units were added annually for the last three years
	COH Response	One in three years.
23	Vendor Question	Can you advise if the City anticipates an increase in charges prior to February 1, 2011? If so, please advise any details as to what anticipated charge structure will be moving forward.
	COH Response	Cannot speculate.
24	Vendor Question	Can you provide the number of claims and amounts for any other claims deemed unbillable by the current EMS billing provider beyond those accounts that have mandatory contractual allowances required by Medicare and Medicaid?
	COH Response	There are approximately 36 thousand accounts for approximately \$16.5 million that were unable to be billed in the last 2 years.

25	Vendor Question	Can you advise exactly how many months will have already passed in the hardware amortization schedule in Appendix A so that we can base our purchase requirement here on the correct outstanding balance when this new contract commences?
	COH Response	If the new contract commences February 2011, then thirty-eight periods will have passed.
26	Vendor Question	Can you advise approximately how many hospital-to-hospital transports you have annually? Can you also provide any contracted rates the City may have with any of the facilities for whom HFD is providing hospital-to-hospital transports?
	COH Response	We had two occurrences in 2009 and have had three in 2010 as of Sept. 1st. The rate is based on City Ordinance.
27	Vendor Question	Can you advise what percent of your accounts are currently classified as a Nixie?
	COH Response	Approximately 14% of transports.
28	Vendor Question	The performance measures include "unbillables below 5%," can you provide the City's definition of unbillables?
	COH Response	Transportees that cannot be billed because we do not have a valid address or social security number even after follow up work is done.
29	Vendor Question	The RFP states alternative proposals may be submitted by the billing agency for alternative ePCR solution and should be submitted in a separate envelope marked "alternative proposal." We have a number of qualified ePCR agencies interested in partnering with us for this opportunity. Would the City consider accepting a single proposal for billing and collections with all ePCR options provided individually within the attachments?
	COH Response	Each proposal will be accepted as a turn-key solution with the billing/collections and an ePCR solution.
30	Vendor Question	States, delinquent accounts will be defined as account with balances outstanding more than 60-90 days after any available insurance has been billed for. Often it takes longer than 90 days to collect from insurance, can we assume that the account will not be consider delinquent until all efforts to collect from the insurance has been exhausted?
	COH Response	Yes. We can work out a sensible procedure.
31	Vendor Question	Is the City of Houston currently utilizing a local vendor to supply laptops to the Houston Fire Department? If so, could you please identify that vendor?
	COH Response	The Billing Vendor supplies the laptops.

32	Vendor Question	"Does the City have a preference for the acquisition of the ePCR system it will acquire under this contract? For example, some of the various acquisition models include software as a service (SaaS) whereby the City would acquire the use, but not the ownership, of the software for the length of the contract, (typically 3, 4 or 5 years). Another model allows the City to acquire the software as an owner under various contractual time frames, (3, 4 or 5 years). Please state if the City has a preference for any particular acquisition model'.
	COH Response	EMS would like to acquire the software as an owner. In past contracts, equipment and software has been procured by the billing vendor and then amortized over the life of the contract. The City would then pay \$1 to take ownership of that equipment / software.
33	Vendor Question	Incorporated Census data - Can you please elaborate on the type of functionality being sought?
	COH Response	This is not a requirement, but would be a "nice to have". If Census 2000 data (eventually 2010 data) was available, let's say by small Key Map grid. Then we might be able to compare runs per capita, between small Key Map grids to see where we have a higher proportion of incidents. Further analysis of that area might then reveal one specific call type as being more prevalent. An example would be finding one area of town has a higher rate of Motor Vehicle vs Bicycle accidents. Research of the area then revealed a need for more stop signs around Schools.
34	Vendor Question	GPS tracking capable - Can you please elaborate on the type of functionality being sought?
	COH Response	This is not a requirement, but would be a "nice to have". We would like to have the ability to locate an EMS Laptop in the event it is lost or stolen.
35	Vendor Question	Do the values listed for 2010 represent all data for 2010 year-to-date? If so, what is the exact time period for 2010?
	COH Response	It is the City's fiscal year. July 1, 2009 to June 30, 2010
36	Vendor Question	Does ACS utilize any Houston-area MWBE firms as sub-contractors in its current contract with the COH? If so, could you please provide the names of those sub-contractors?
	COH Response	Premier IMS, the outside statement mailer is an MWBE.
37	Vendor Question	1. Please name the major receiving hospitals.
	COH Response	Ben Taub and Memorial Hermann are the two largest receiving hospitals.
38	Vendor Question	2. What is the Medicare reimbursement rate for a BLS, ALS, ALS2, mileage?
	COH Response	BLS = \$340.71. ALS = \$404.60. ALS2 = \$585.60. Mileage = \$6.87
39	Vendor Question	What is the Medicaid reimbursement rate for a BLS, ALS, ALS2, mileage?
	COH Response	BLS= \$258.31. MISC SUP (Misc supplies) = \$20.30. Oxygen = \$31.86. Mileage = \$5.06
40	Vendor Question	4. Fees:

	COH Response	a. Typically Medicaid Fees paid to vendors are at a flat fee/fixed amount not a contingency fee. Is it the City's preference for Medicaid fees to be at a flat fee per claim, or a contingency fee based off collections?
41	Vendor Question	b. Your fee schedule asks us to submit fees by payer. To clarify the fees should include the ePCR software and hardware in the % of fees by payer?
	COH Response	% fee based collections. The charge for the software and hardware should be factored in the fee based on collections.
42	Vendor Question	5. Please confirm that the City bills Medicare Part B.
	COH Response	Yes
43	Vendor Question	6. The successful vendor will assume responsibility for the backlog of unbilled and/or previously billed accounts. Please provide an aged trial balance report of this backlog available that identifies by payer the volume and dollar value.
	COH Response	Jack will provide receivable listing billed in the last 2 years as of June 30.
44	Vendor Question	7. How does the City propose the successful vendor handle the ePCR software that is currently maintained/managed by the incumbent until the new ePCR software is implemented? What controls will be in place to ensure that the data is received timely to the billing vendor during the transition?
	COH Response	The City proposes to continue using the existing Billing Vendor and their ePCR software until HFD field crews are trained on the new ePCR software and then given the new ePCR software on their laptops. This process will take several months and therefore provide a way to ramp down the previous Billing Vendor while simultaneously ramping up the new Billing Vendor and their ePCR software. The exact mechanics of the transition period will be part of the contract negotiation, although it is constrained primarily by the lowest cost and most efficient training mechanism for HFD personnel. We envision two possible routes: a) a phase out transition in which personnel and therefore data transactions are moved to the new system as training occurs over a period of time, or b) a cut-over transition in which all personnel and transactions move to the new system at the same time on a designated day. In the cut-over transition scenario, the initial configuration, setup of hardware, and training all occurs prior to the cut-over day. During this time operations continue as normal on the existing system. In both scenarios, data goes through either the old system or the new system, never both. Therefore each vendor (incumbent and new) is responsible for their own data controls.
45	Vendor Question	The revenue trend report provided on the website indicates a drop in call volume of more than 9,000 transports from 2009 to 2010, can you advise if there is a reason for the decreased transports and if this 2010 reported level is what should be used when calculating future years?
	COH Response	I would attribute the decline in volume to be a combination of environmental factors as well as programs by the EMS team to provide alternative solutions to frequent users of ambulances for non critical emergencies.

46	Vendor Question	Inclusion of the collection information provided in the revenue trend report for 2010 indicates a decrease in revenue per transport of approximately \$25.00 per transport. While it would be understandable if the data was based on collections by transport date due to consideration of immature accounts, we are basing our analysis on the information provided for collections by posting date. Can you provide any further insight on why collections have fallen in 2010? Also, your addendum from today indicates the collections by posting date includes retro dated collections, which would further decrease the actual revenue per transport average, can you clarify how much was retro dated?
	COH Response	The short answer is collections that continue to come in the beginning of 2011 get posted as 2010 based on transport date. Additionally Medicare payments in the last half of 2010 were delayed because of certification issues. That was resolved in June and a back log was posted in July 2010.

When issued, Letter(s) of Clarification shall automatically become a part of the solicitation documents and shall supersede any previous specification(s) and/or provision(s) in conflict with the Letter(s) of Clarification. It is the responsibility of the proposers to ensure that they have obtained any such previous Letter(s) associated with this solicitation. By submitting a proposal on this project, proposers shall be deemed to have received all Letter(s) of Clarification and to have incorporated them into this solicitation.

If you have any questions or if further clarification is needed regarding this RFP, please contact Eric Alexander at 832-393-8704.

Sincerely,



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cc: T23724 Solicitation File

End of Letter of Clarification 4