



# STAFF REPORT

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July 27, 2022

File Number 0600-10; A-3421

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## SUBJECT

**PROFESSIONAL SERVICES AGREEMENT WITH WITTMAN ENTERPRISES, LLC TO PROVIDE EMERGENCY MEDICAL SERVICES (EMS) BILLING SERVICES**

## DEPARTMENT

Finance

## RECOMMENDATION

Request the City Council adopt Resolution No. 2022-105, authorizing the Mayor to execute a Professional Services Agreement with Wittman Enterprises, LLC to provide billing and collection services for ambulance transport and related services operated by the City of Escondido Fire Department.

Staff Recommendation: Approval (Finance: Christina Holmes, Director of Finance)

Presenter: Christina Holmes, Director of Finance

## FISCAL ANALYSIS

The cost of the agreement is based on a percentage, 4.5%, of the net revenue received. Based on historical average annual emergency medical services revenue of \$6.0 million, the cost of the agreement will be approximately \$270,000 per year. Sufficient funds are budgeted for this contract in the Finance Department's budget. This fee will be firm for the life of the contract including the renewal option years. The contract is contingent upon budgetary appropriations.

## PREVIOUS ACTION

Council approved a three (3) year Public Services Agreement with Wittman Enterprises, LLC ("Wittman") effective July 1, 2017 through June 30, 2020, with two additional two-year renewal options on June 21, 2017. Both renewal options were exercised and approved by the City Manager.

## BACKGROUND

Firefighter/Paramedics in the Fire Department provide necessary emergency ambulance services to the citizens of Escondido and the Rincon del Diablo Fire Protection District, visitors, and businesses. Paramedic billing for emergency medical services were processed by City employees until early 2001 when it was determined by an expert review that outside paramedic billing services could increase fee collections, provide timelier customer billing, and maintain a higher level of collective expertise in a highly complex billing environment.



# CITY *of* ESCONDIDO

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Between July 2021 and May 2022, Fire Department paramedics transported approximately 9,574 patients and Wittman billed \$7.9 million in net ambulance fees (gross revenues less Medicare, Medi-Cal and other contractual write downs).

In June 2022, the City received a proposal from Wittman to continue providing EMS billing services. To establish a comparison and determine if the proposal submitted by Wittman was advantageous to the City, staff also reviewed a recent Request for Proposal issued in April 2022 by the City of Carlsbad for EMS billing services. Proposals were received from two firms. The firms were evaluated on approach to the scope of work, price, responsiveness to specifications, project team experience and client references. Based on these criteria, the City of Carlsbad awarded the contract to Wittman Enterprises LLC. In the interest of cost savings and to create efficiencies, Staff proposes to use that process to extend the working contract with Wittman Enterprises, LLC.

Wittman's past performance with the City of Escondido has been highly satisfactory. This company also has extensive experience in providing billing services to governmental entities similar in size and scope to the City of Escondido, many of which are located in San Diego County including the cities of Oceanside, Carlsbad, and Vista. This allows for a high understanding of local demographics and how to bill customers for calls outside the city limits. Therefore, staff is recommending that a new five-year Public Services Agreement be awarded to Wittman Enterprises, LLC based on the staff findings.

### **RESOLUTIONS**

- A. Resolution No. 2022-105
- B. Resolution No. 2022-105 Exhibit "A" Professional Services Agreement with Wittman Enterprises, LLC