

RESOLUTION 11-31 Passed April 25, 2011

AUTHORIZING THE MAYOR OF THE CITY OF DEKALB, ILLINOIS, TO SIGN AN AGREEMENT WITH ANDRES MEDICAL BILLING LTD. TO PROVIDE BILLING AND COLLECTION FUNCTIONS FOR CITY PROVIDED AMBULANCE SERVICES.

BE IT RESOLVED BY THE CITY COUNCIL of the City of DeKalb, Illinois, as follows:

Section 1. That the Mayor of the City of DeKalb be authorized and directed to execute an Agreement with Andres Medical Billing Services, Ltd. for the provision of billing and collection functions for all ambulance services provided by the City for a period of one year, with automatic one year extensions, a copy of which is attached hereto and made a part hereof as Exhibit "A."

Section 2. That the City Clerk of the City of DeKalb be authorized and directed to attest the Mayor's signature.

PASSED BY THE CITY COUNCIL of the City of DeKalb, Illinois, at a regular meeting thereof held on the 25th day of April, 2011 and approved by me as Mayor on the same day. Passed on roll call vote: 6-0-1. Aye: Teresinski, Verbic, Gallagher, Naylor, Baker, Kammes. Nay: None. Abstain: Simpson.

ATTEST:



STEVE KAPIAN, City Clerk





KRIS POVlsen, Mayor



CITY CLERK FILES:
Number: RES 11-31
Date: 4/25/11

ANDRES MEDICAL BILLING, Ltd.

This Agreement is entered into as of this 26TH day of APRIL, 2011 between the City of DeKalb, Illinois, a municipal corporation (hereinafter referred to as "the City") and Andres Medical Billing, Ltd. (hereinafter referred to as "AMB").

WHEREAS, the City of DeKalb has determined that it is in its best interest to retain the services of an outside billing service to collect monies for services rendered by the City of DeKalb Fire Department; and

WHEREAS, AMB does hereby hold itself out as being ready and able to perform billing and collection services as described herein.

NOW, THEREFORE, in consideration of the aforementioned promises and mutual covenants and promises stated herein, the parties hereby agree as follows:

1. AMB shall provide a separate and complete Accounts Receivable program within AMB's computer billing system for the exclusive purpose of billing and collections for the City.

AMB shall be responsible for the billing and collection functions for all of the ambulance services furnished by the City during the term of this Agreement (the "Billing Services"). As part of the Billing Services, AMB shall input charge information, generate claims, verify patient insurance information, submit claims to insurance carriers, create patient statements and provide various reports to the City. AMB shall also be responsible for the collection of unpaid patient claims (the "Collection Services"). As part of the Collection Services, AMB shall bill patients in accordance with its current billing procedures and shall attempt to collect said unpaid claims in accordance with the terms and conditions of the Fair Debt Collection Practices Act and with the use of such collection agencies as may be approved by the City.

AMB will enter into said computer billing system, any and all ambulance trips received from the City. AMB shall abstract, from the documentation provided by the City, all diagnosis and procedure information necessary to determine the level and type of service provided, any billable diagnostic and therapeutic procedures performed, any billable supplies and ancillary services rendered, and the appropriate diagnosis codes to be billed for all ambulance run information provided to AMB by the City for that purpose.

AMB will follow established billing industry guidelines, including those established by HCFA, HIPAA, and various other government programs, for ambulance services. To ensure compliance, AMB will periodically audit, on a prospective and retrospective basis, a sample of the City's billing and clinical records. The City retains responsibility for providing accurate and complete documentation of clinical services provided. The City understands that AMB will code only from the documentation provided.

CORPORATE HEADQUARTERS

www.andresmedical.com
3343 North Ridge Avenue
Arlington Heights, Illinois 60004

Phone: 800-244-2345
Phone: 847-577-8811
Fax: 800-329-5274
Fax: 847-577-9515

2. AMB shall provide electronic billing of Medicare and Medicaid claims. It is the responsibility of the City to inform Medicare and Medicaid of any changes in the City's status.
3. AMB will bill any and all appropriate commercial or third party payers as directed by the City.
4. AMB will invoice all patients and all supplemental private pay patients as directed by the City and as required by the Federal Medicare Program.

Payment invoicing will be done on a billing form specific for the City. Invoicing and collection activities will be conducted on the following schedule:

1st invoice	within 3 days of receipt of documentation from the City
Insurance request	30 days after 1 st invoice
Automated phone call	20 days after insurance request
2 nd invoice	10 days after automated phone call
Final notice	20 days after 2 nd invoice
Collections or W/O review	30 days after final notice

Collection agency or write off if no results from above as pre-determined by the City.

5. All monies received by AMB on behalf of the City of DeKalb will be posted to the patients' accounts on a weekly basis and mailed to the City on a monthly basis. All checks will be made payable to the City of DeKalb. AMB cannot cash any checks and has no access to any of the City's bank accounts. It is the responsibility of the City to notify AMB about any payments, correspondence, explanation of benefits, etc. relating to the services heretofore described received by the City within seventy-two (72) hours of receipt.

AMB acknowledges that all receivables, payments and collections generated or resulting from the ambulance services rendered by the City are and shall remain the sole and exclusive property of the City.

6. AMB will maintain an 800-phone service for the purpose of run sheet and payment submission. This line will be available 24 hours a day.
7. AMB will promptly respond to all of the City's service recipient concerns related to all billing practices conducted herein.

AMB will maintain an 800-phone line for the purpose of customer service. This line will be staffed Monday through Friday from 8:30 am to 4:30 pm Central time.

8. AMB shall comply with all Federal and State regulations, ordinances and procedures governing ambulance fee collections.

9. AMB will submit a monthly accounts receivable aging report by payer category, which will include identifying all uncollected receivables, a payment receipt journal recap, and a monthly ticket survey, detailing all of the transports billed from the previous month. It is the responsibility of the City to verify these reports and provide AMB with any missing data. All reports currently within the software of AMB's billing system will be provided to the City at no additional cost.

All patient data shall be retained by AMB according to its policies and procedures. At the City's written request upon termination of this Agreement, AMB will transfer to the City all patient information it maintains on the City's behalf.

10. AMB shall recognize and comply with the right of authorized City of DeKalb representatives to review any and all payment records pursuant to claims and/or collection procedures conducted herein. The City shall have the right to audit such reports at reasonable times.

If applicable and to the extent required by the federal Social Security Act, until the expiration of six (6) years after the furnishing of Billing Services pursuant to this Agreement, the parties shall make available, upon written request by the Secretary of Health and Human Services, the Comptroller General or any of their duly authorized representatives, this Agreement and any books, documents and records of the parties that are necessary to certify the nature and the extent of the Billing Services.

11. The City agrees to pay AMB in accordance with the following fee schedule for the aforementioned service for a term of one (1) year so long as this Agreement has not been terminated:

- a. AMB shall be paid a fee of five percent (5%) of all payments collected. Payments to AMB shall be based upon revenues received in the preceding month. AMB will provide a monthly billing to the City calculating amounts owed to AMB based upon the above stated formula.
- b. AMB shall be paid the cost of Zoll Tablet PCR. Pricing to be determined by the City of DeKalb. Note: Upon receipt of finalized Zoll pricing, an addendum to this Agreement will be issued.
- c. Failure to pay AMB within thirty (30) days of the monthly bill may constitute immediate termination of this Agreement and possible legal action at the cost of the City.

12. The relationship between AMB and the City, including its employees or agents, shall be that of independent contractors and nothing in this Agreement shall be construed as creating any agency, employment, joint venture, partnership or other relationship between AMB and the City.

13. This Agreement shall be effective on the date hereof and shall remain in full force and effect for a term of one (1) year. Thereafter, this Agreement shall be automatically extended for successive one (1) year periods unless terminated as hereinafter set forth.

All terms and provisions of this Agreement shall continue in full force and effect unless otherwise modified. Either party may terminate this Agreement at any time by giving the other party ninety (90) days written notice. Notwithstanding the aforementioned, this Agreement shall be subject to immediate termination by the City if AMB fails to maintain insurance as set forth in paragraph 14.

If changes or clarifications to federal or state law, rules or regulations materially and adversely affect any legal right of any party to this Agreement, the affected party may, by written notice to the other party, propose such modifications to this Agreement as may be necessary to comply with such change. If the parties cannot agree to such modification within 30 days of such notice, either party may immediately terminate this Agreement upon written notice to the other party.

14. AMB shall maintain the following insurance throughout the duration of this Agreement: one million dollars (\$1,000,000.00) of professional liability, general liability of at least one million dollars (\$1,000,000.00), and workers' compensation in an amount, which meets or exceeds the requirements of the State of Illinois. AMB shall name the City as an additional insured on said policies, except workers' compensation, and shall provide certificates of insurance to the City upon execution of this Agreement.
15. If this Agreement is terminated prior to the one (1) year term date, AMB shall continue collection efforts for a period of six (6) months following the termination, unless other arrangements have been agreed to by both parties in writing. The City understands that it will be responsible to pay AMB its commission on its collections during this time period in accordance with section 11(a).

At termination of this Agreement it is the responsibility of AMB to return to the City any and all records and documents submitted to AMB, except as required by Federal Law.

16. Any notice required under this Agreement may be given by certified or registered mail to:

If to AMB: Patrick J. Mannix
Chief Executive Officer
Andres Medical Billing, Ltd.
3343 N. Ridge Avenue
Arlington Heights, IL 60004

If to the City: Fire Chief Bruce Harrison
700 Pine St.
DeKalb, IL 60115

17. This Agreement shall be governed by the laws of the State of Illinois as to interpretation, construction and performance. The venue of any action brought on this Agreement shall be in DeKalb County, Illinois

18. This Agreement contains the entire agreement and understanding between the parties relating to the subject matter hereof, superseding all prior representations, agreements, negotiations and understandings between the parties.
19. This Agreement may be amended at any time, in writing and signed by duly authorized representative of the parties.
20. The waiver by either party of any breach or violation of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach thereof.
21. If any provision of this Agreement or any part of any provision hereof shall be determined to be invalid, illegal or unenforceable under any law applicable thereto, such provision shall be deemed deleted from this Agreement without impairing or prejudicing the validity, legality and enforceability of the remaining provisions.
22. This Agreement shall not be assigned by any party without the prior written consent of the other party.
23. Nothing in this Agreement shall be construed as creating or giving rise to any rights in any third parties or any persons other than the parties hereto.
24. The parties shall comply with the privacy and security regulations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as set forth in this section. In providing the Billing Services, AMB shall be acting as the business associate of the City, a covered entity under HIPAA. Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in HIPAA and are incorporated herein by reference.

AMB shall be permitted to use and/or disclose oral, written or electronic Protected Health Information (PHI) created or received on behalf of the City for the following purpose(s):

- a. The review of patient care information in providing legal advice to the City;
- b. The review of patient care information and other medical records and the submission of that information to carriers, insurers and other payers with respect to AMB assisting the City in an insurance or Medicare audit or other similar action;
- c. The review of patient care information in the course of AMB conducting compliance assessment activities;
- d. The review of PHI and other information necessary to assist the City in developing its HIPAA compliance program;
- e. Other uses or disclosures of PHI as permitted by the HIPAA privacy rule.

AMB may use and disclose PHI created or received by it on behalf of the City if necessary for the proper management and administration of AMB or to carry out AMB legal responsibilities, provided that any disclosure is:

- a. Required by law, or

- b. AMB obtains reasonable assurances from the person to whom the protected health information is disclosed that (i) the protected health information will be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person; and (ii) AMB will be notified of any instances of which the person is aware in which the confidentiality of the information is breached.

AMB shall maintain the security and privacy of all PHI in a manner consistent with the state and federal laws and regulations, including HIPAA and requirements of the Identity Theft Red Flag Rules promulgated under the Fair and Accurate Credit Transactions Act of 2003 there under and all other applicable law.

AMB shall not to use or disclose PHI except as expressly permitted by this Agreement, applicable law, or for the purpose of managing AMB's own internal business processes.

AMB shall not disclose PHI to any member of its workforce unless AMB has advised such person of its privacy and security obligations under this Agreement, including the consequences for violation of such obligations. AMB shall take appropriate disciplinary action against any member of its workforce who uses or discloses protected health information in violations of this Agreement and applicable law.

AMB shall not disclose PHI created or received by it on behalf of the City to a person, including any agent or subcontractor of AMB, but not including a member of AMB's own workforce, until such person agrees in writing to be bound by the provisions of this Agreement and applicable Illinois or Federal law.

AMB agrees to use appropriate safeguards to prevent use or disclosure of PHI not permitted by this Agreement or applicable law.

AMB agrees to maintain a record of all disclosures of PHI, including disclosures not made for the purposes of this Agreement. Such record shall include the date of the disclosure, the name and, if known, the address of the recipient of the PHI, the name of the individual who is the subject of the PHI, a brief description of the PHI disclosed, and the purpose of the disclosure. AMB shall make such record available to an individual who is the subject of such information or the City within five (5) days of a request.

AMB agrees to report to the City any unauthorized use or disclosure of PHI by AMB or its workforce or subcontractors and the remedial action taken or proposed to be taken with respect to such use or disclosure.

AMB agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from the City, or created or received by AMB on behalf of the City, available to the Secretary of the United States Department of Health and Human Services, for purposes of determining the Covered Entity's compliance with HIPAA.

Within thirty (30) days of a written request by the City, AMB shall allow a person who is the subject of PHI, such person's legal representative, or the City to have access to and to copy such person's PHI maintained by AMB. AMB shall provide PHI in the format

requested by such person or legal representative unless it is not readily producible in such format, in which case it shall be produced in standard hard copy format.

AMB agrees to amend, pursuant to a request by the patient or the City, any PHI maintained and created or received by AMB on behalf of the City. AMB further agrees to complete such amendment within thirty (30) days of a written request by the patient or the City, and to make such amendment as directed by the patient or the.

In the event AMB fails to perform the obligations under this Agreement, the City may, at its option:

a. Require AMB to submit to a plan of compliance, including monitoring by the City and reporting by AMB as the City, in its sole discretion, determines necessary to maintain compliance with this Agreement and applicable law. Such plan shall be incorporated into this Agreement by amendment hereto; and

b. Require AMB to mitigate any loss occasioned by the unauthorized disclosure or use of PHI.

c. Immediately discontinue providing PHI to AMB with or without written notice to AMB.

Upon termination of this Agreement, AMB shall return or destroy all PHI received from the City, or created or received by AMB on behalf of the City and that AMB maintains in any form, and shall retain no copies of such information. If the parties mutually agree that return or destruction of PHI is not feasible, AMB shall continue to maintain the security and privacy of such PHI in a manner consistent with the obligations of this Agreement and as required by applicable law, and shall limit further use of the information to those purposes that make the return or destruction of the information infeasible. The duties hereunder to maintain the security and privacy of PHI shall survive the discontinuance of this Agreement.

The City may amend this Agreement by providing ten (10) days prior written notice to AMB in order to maintain compliance with Illinois or Federal law. Such amendment shall be binding upon AMB at the end of the ten (10) day period and shall not require the consent of AMB. AMB may elect to discontinue the Agreement within the ten (10) day period, but AMB's duties hereunder to maintain the security and privacy of PHI shall survive such discontinuance. The City and AMB may otherwise amend this Agreement by mutual written agreement.

25. AMB agrees to assume the following obligations in accordance with the Identity Theft Red Flag Rules promulgated under the Fair and Accurate Credit Transactions Act of 2003:

AMB agrees to insure that its activities for the City are conducted in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft.

AMB agrees to have in place policies and procedures to detect relevant Red Flags that may arise in the performance of services on behalf of the City. The City acknowledges that it has received a copy of AMB's Identity Theft Prevention Program and that it will take all steps necessary to comply with the policies and procedures therein.

AMB will ensure that any agent or third party, who performs services on its behalf in connection with the City's covered accounts, including a subcontractor, agrees to implement reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft.

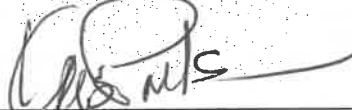
AMB agrees to alert the City of any red flag incident (as defined by the Red Flag Rules) of which it becomes aware and the steps it has taken to mitigate any potential security compromise that may have occurred, and provide a report to the City of any threat of identity theft as a result of the incident.

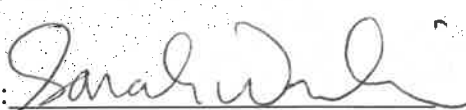
26. The City may immediately terminate this Agreement and related agreements if the City determines that AMB has breached a material term of this Agreement. Alternatively, the City may choose to: (i) provide AMB with ten (10) days written notice of the existence of an alleged material breach; and (ii) afford AMB an opportunity to cure said alleged material breach to the satisfaction of the City within ten (10) days. AMB's failure to cure shall be grounds for immediate termination of this Agreement. The City's remedies under this Agreement are cumulative, and the exercise of any remedy shall not preclude the exercise of any other.
27. AMB shall, to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the City and its respective employees, directors, and agents ("Indemnities") from and against any and all losses, costs, claims, penalties, fines, demands, liabilities, legal actions, judgments, and expenses of every kind (including reasonable attorneys fees, including at trial and on appeal) asserted or imposed against any Indemnities arising out of the acts or omissions of AMB or any subcontractor of or consultant of AMB or any of AMB's employees, directors, or agents related to the performance or nonperformance of this Agreement.

IN WITNESS WHEREOF, the City of DeKalb and AMB have executed this Agreement.

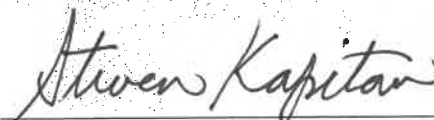
CITY OF DEKALB

ANDRES MEDICAL BILLING, LTD.

BY: 
Kris Povlsen, Mayor

BY: 
Director of Operations

ATTEST:


Steven Kapitan, City Clerk

