



Legislation Text

File #: 20-1442, **Version:** 1

Chief Administrative Office, Emergency Medical Services and Emergency Preparedness and Response Division, recommending the Board:

- 1) Discharge the Chief Administrative Office from further accountability to collect the debts identified on the attached Discharge of Accountability Report in the amount of \$4,091,256.33 pursuant to Government Code Sections 25257 through 25259, for the period 2011 through 2019; and
- 2) Authorize the County Auditor-Controller to adjust the accounts receivable of \$4,091,256.33 in the CSA 3 & CSA 7 funds accordingly.

FUNDING: N/A

DISCUSSION / BACKGROUND

The County's Ambulance Billing Program was transferred from the Health and Human Services Agency (HHS) to the Chief Administrative Office (CAO) effective January 1, 2020. Within the last year and a half, the emergency medical services and ambulance billing programs have selected a new billing contractor and have undergone a major reorganization. As a result, the data and amounts being presented for discharge may not be predictive of future collections performance.

In accordance with California Government Section Code Section 25257 to 25259, the "Board of Supervisors may make an order discharging the department, officer or employee from further accountability and if appropriate may direct the County Auditor-Controller to adjust any change against the department, officer, or employee in a like amount."

When County debts are determined to be uncollectible for any of the following reasons, the accounts are presented to the Board of Supervisors (Board) annually for discharge from further accountability to collect the debts:

1. Bankruptcy
2. Death of the Debtor
3. Statute of Limitations has expired; and
4. Non-Contract Payor
5. Timely Billing

In order to be considered for discharge, Bankruptcy and Death of Debtor requires legal proof. The County's contracted collection agency, Access Capital, is required to confirm this. The Statute of Limitations is the time that the collection agency is allowed to legally collect on the debt. The "Timely Billing" category encompasses numerous scenarios, including but not limited to, the ambulance billing contractor failing to submit claims in the required time frame, incorrect billing resulting in a denial, and appeals never completed. The "Non-Contract Payor" refers to accounts identified as out of state Medi-Cal and Medi-Cal Logisticare contract services. Reimbursement on these accounts would have been paid at approximately 10% of billed charges as defined by the state Medi-Cal reimbursement policy. The County of El Dorado does not have an agreement with Logisticare even after multiple attempts to obtain such agreement. Staff is continuing to pursue a contract.

The dollar amount being presented for discharge is reflective of the charges remaining on the accounts that

have been determined to be uncollectible. It is the full charge for the service and is not reflective of what would have been collected after mandatory write-downs, insurance adjustments, etc. These debts are considered uncollectible and have not been factored into fund balance or projected revenues for the program. The amount to be discharged is approximately \$1.9 million higher than the amount discharged last year. Major components of this increase are:

-Deceased: \$470,000 increase due to the collections contractor, Access Capital, performing a major clean up of accounts, using skip tracing, which identified more deceased debtors than they had thought, and included some older accounts that exceed the statute of limitations but were not included in previous write-offs.

-"Non-Contract Payor": \$910,000 increase. This amount includes Medi-Cal accounts as described above, spanning several years. These accounts had not been written off in previous years, pending a contract with Logisticare; however, even if a contract with Logisticare is executed, it would not provide for retroactive payment on these accounts, so they are therefore uncollectable and should be written off.

-"Statute of Limitations": \$700,000 increase, due in part to staff's efforts in the billing vendor transition to review accounts with Intermedix and Access Capital, which showed accounts that had been referred to collections in error, but were no longer collectible due to time limitations.

These increases were slightly offset by a reduction in the amount written off for "Bankruptcy" and "Timely Billing," the latter of which is likely a reflection of increased efforts by the new billing vendor to bill insurance timely. All things being equal, there will be natural increases in write-off amounts over time as call volumes increase and rates increase annually with the inflation factor; however, given the account cleanup performed by Access Capital and County staff, as well as the transition of billing vendors, we expect future write-off amounts to return to normal levels next year.

The County's former ambulance billing contractor, Intermedix, provided ambulance billing services for all ambulance service calls through December 31, 2019 and was able to bill and collect on payments for services as of December 31, 2019 through June 30, 2020. Intermedix attempted to collect the ambulance billing fees (revenue) through the billing of insurance, when that information is available. Any charges remaining on an account after receiving all applicable insurance and/or client payments is recommended for discharge. If collectible amounts remain, three attempts are then made to collect either the balance due or insurance information from the client. If those attempts are unsuccessful, then, after County review, the account is referred to our contracted collections provider, Access Capital. If Access Capital is unsuccessful in collecting the amounts owed on the accounts referred, those accounts are then flagged for further review by the County and presented to the Board for Discharge of Accountability.

As a result of the transfer of the ambulance billing program, the Chief Administrative Office is bringing this item to the Board for the first time. CAO staff worked diligently with Intermedix to capture as much revenue as possible, identifying numerous billing issues, and requesting corrections and re-billing as needed, and identifying accounts that were sent to the County's collections provider in error. When the program was transferred on January 1, 2020, there was approximately \$10 million in outstanding accounts receivable (AR). As of June 30, 2020, our records indicate that there was \$2.2 million in outstanding AR. Revenue continues to come in from those efforts, and the current ambulance billing vendor, Wittman Enterprises (Wittman) receives the payment and identifies it as old billing.

Efforts have been made to increase the payment average received on accounts. The CAO's office hired a full time Medical Billing Technician that reviews every transport and treatment with no transport that comes in for completion and communicates with the field personnel when there is an issue with the documentation. The Medical Billing Technician has established a working relationship with the base hospitals and has obtained direct database access with the two base hospitals to be able to acquire updated patient hospital face sheets

for demographic/insurance information. This enables Wittman to receive the most updated insurance information for billing, increasing the chances for successful billing and payment. In addition, Emergency Medical Services and Emergency Preparedness and Response (EMS) staff will provide documentation training to the Emergency Medical Technicians (EMT) and Paramedics in 2021. While this on-site combined training with Wittman was planned for 2020, staff were unable to complete this training due to the COVID-19 pandemic and the significant work that was completed as a result of the Intermedix transition. In addition to these efforts, EMS staff are working on updating the outdated documentation guidelines for our EMT and Paramedics. CAO staff are also exploring the option of accepting credit card payments as an additional form of payment.

ALTERNATIVES

Should the Board decline to discharge accountability of the Chief Administrative Office for the aforementioned accounts, the uncollectible accounts would remain active in the CAO collections process.

PRIOR BOARD ACTION

1. October 8, 2019, File ID: 19-1248
2. June 25, 2019, File ID: 19-0930

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

There is no Net County Cost associated with the discharge of these accounts. These debts are considered uncollectible and have not been factored into fund balance or projected revenues for the program.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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