

**MINUTES  
CITY OF FARMINGTON HILLS  
CITY COUNCIL SPECIAL STUDY SESSION MEETING  
CITY HALL – COMMUNITY ROOM  
MARCH 31, 2014 – 6:30PM**

State Representative Vicki Barnett provided City Council with an update on State road funding, Economic Vitality Incentive Program (EVIP), and Personal Property Tax (PPT) Legislation.

The special Study Session meeting of the Farmington Hills City Council was called to order by Mayor Brickner at 6:49pm.

Council Members Present:       Brickner, Bridges, Bruce, Knol, Lerner, Massey and Steckloff

Council Members Absent:       None

Others Present:                   City Manager Brock, City Clerk Smith, Assistant City Manager Boyer, Assistant to the City Manager Geinzer, Director Lasley, Fire Chief Bartsch and Attorney Joppich

**DISCUSSION ON EMERGENCY MEDICAL BILLING SERVICES (Postponed from the March 24, 2014 regular City Council meeting)**

Councilmember Massey stated that he would be abstaining from the discussion on this issue due to a conflict of interest as previously mentioned at the March 24, 2014 meeting and at the direction of the City Attorney.

Mayor Brickner clarified that due to a long-standing policy, the Council should refrain from discussions that would involve negotiating new bids or contracts as this could open the city up to possible litigation. He requested that Council limit the discussion to the recommendation before them and/or the bids as received by the City.

Councilmember Bruce inquired what would happen if City Council determined to reject the recommendation of staff.

Attorney Joppich responded that City Council can either approve the recommendation or deny it as presented. If Council denies the recommendation, the current contract with Parastar allows for an extension upon mutual consent of the parties. He stated that while the contract is mute on whether this would be extended by way of the administration or City Council, it typically has been negotiated by the administration.

City Manager Brock stated that this item was postponed by City Council at their last meeting and staff was directed to provide additional information. He commented that the information provided explains why the staff made the recommendation it did and why staff feels strongly about that recommendation. He noted that City Council also received an e-mail from Botsford and Parastar and City staff hopes to be able to answer some of the questions raised and/or clarify information contained in the e-mail.

Director Lasley discussed in detail the bidding process used for the Emergency Medical Billing Services. He explained that the Request For Proposal (RFP) clearly outlined that this would be a qualified based process. He noted that a two-step process was used and this is done to avoid focusing only on pricing until qualified vendors have been identified. He outlined the criteria used to score each vendor by the committee that was made up of representatives of 4 communities who were part of the consortium for this

bidding process. The committee came to a consensus on each score that was awarded. He added that vendors were encouraged to submit multiple proposals if they had more than one software package that they wanted to bid. Mr. Lasley stated that as a result of the committee review, 3 firms rated 80% or better and were invited to demo their software program to the various departments who then used the software over approximately a 3 week period.

Mr. Lasley explained that overwhelmingly, the ESO product was preferred; and therefore, pricing for AccuMed Group was opened. He stated that generally they would only open the pricing for the preferred vendor; however, the Committee felt that because the other two firms were also qualified that the pricing for those firms should also be opened. The final recommendation was to award the contract to AccuMed Group.

City Manager Brock clarified some of the concerns raised by Botsford and Parastar in their e-mail with regard to use of the software. He stated that staff felt that the new software could reduce the time it takes them to complete a report, which is important so that the fire fighters can move on to their next run or order of business. He clarified that the retention rate for AccuMed, while not 100% it was very close to that.

Councilmember Bridges inquired how staff arrived at the projected 25% savings and what the cost would be to implement the new software.

Fire Chief Bartsch explained that he spoke with staff using the software and the time savings involved and projected those savings based on wages. He stated that realistically once staff becomes more comfortable with the software, that time would be even further reduced and result in greater savings. Chief Bartsch explained that most of the training would occur during shift for most staff members; however, he would have to bring in some of the Paid On Call (POC) staff for training, which would cost approximately \$1,208.00.

Director Lasley commented on some of the issues the City was having with the current software and Parastar. He noted that out of 534 reports submitted, 525 reports contained errors because the software is difficult to use. He stated that the new software should provide for a better flow through to the billing process.

Discussion was held on the proposed issues with Parastar and the current software and why some of those issues had not been resolved. It was noted that some of the issues were resolved and that monthly recon meetings were being held with Botsford Staff and the area Chiefs and/or Deputy Chiefs; however, City staff still felt that some of the issues had not been addressed.

Councilmember Knol expressed some concern with the scoring process and from the information provided it did not appear to her to be comparing apples to apples for each of the vendors.

Councilmember Lerner stated that he feels the collection rate is important and that Parastar is doing a good job for the City with regard to collection, and he is concerned with giving that up if the City moves to a new vendor. He concurred with Councilmember Knol that some of the scoring did not appear to be comparing apples to apples and perhaps that the RFP should have called out the preferred software.

Chief Bartsch clarified that the consortium did not know that they wanted the ESO software or that it was the best software package available until it reviewed the software packages of the 3 qualified bidders.

In answer to Councilmember Lerner, Director Lasley stated that the Oakland County Medical Authority endorses the ESO product and that was the reason for the letter from them that was provided to City Council. Staff wanted to show that the product they are recommending was a good product.

Director Lasley presented to Council a summary of billing comparing actual collection figures with Parastar and figures from comparable communities through AccuMed that showed the City would generate an additional \$83,000 in revenue by switching to AccuMed and the ESO software.

Councilmember Lerner did not agree that many of the communities shown in the summary were comparable to Farmington Hills.

Councilmember Steckloff commented that every question being asked is being answered by indicating that AccuMed is an improved product through time savings, money savings, etc. and she has been hearing about issues with Parastar for years and that they have had plenty of time to address those issues.

Councilmember Bridges inquired about the other two entities involved in the bidding process pulling out. It was noted that they have not pulled out, but just have not taken any action. Mr. Lasley pointed out that every community has a different time line as to when their current contracts expire.

Councilmember Bridges commented that Botsford is the largest employer in the City, and he feels that they deserve more of Council's time on this matter.

Considerable discussion was held on the billing/collection process, involvement of the insurance companies and issues with Parastar sending billing to collection without the authority of the Fire Department.

Councilmember Knol stated that she also does not feel the collection rates shown for the other communities in the billing summary presented are comparable to Farmington Hills. She is also concerned about losing the collection rate that the city has now with Parastar.

Chief Bartsch spoke to the efficiencies of the proposed software and the fact the he has very conservatively estimated that the Department would save \$25,000/year based on wages.

Mayor Brickner pointed out that communities charge by distance so that could be another reason why collection rates might be higher in other communities.

Director Lasley commented that a good product with efficient software and good information going in makes for a better end result, which is the billing.

Councilmember Lerner inquired if the recommendation is denied, could the City Manager negotiate an extension under the current contract.

Attorney Joppich confirmed that per the contract language, the City Manager could negotiate an extension in one year increments.

Dr. Paul LaCasse, President/CEO of Botsford, thanked City Council for holding this meeting and inviting them to attend. He noted that Botsford has had a long-standing relationship with the City of Farmington Hills and it is an important relationship as Farmington Hills is their host city. He stated that they understand that they can't re-negotiate the bid that was submitted, but feel that they can match the billing performance of any other company. He introduced his staff that was present.

Regina Doxtader stated that she appreciates the business and relationship that Botsford and Parastar has had with the City. She stated that she would like to clarify that they do not send any bill to bad debt collection after 30 days; however, they do have a process to pursue collection after 30 days and this ends up being a 75 day process. She spoke to their collection rate and commented that they have made every effort to listen and respond to any concerns. She noted that they have dedicated a person to address concerns so that Departments would not have to wait until the monthly meetings in order for those to be addressed. She introduced Steve Kleinlein, IT Specialist, and commented that the City could pick any software they wanted and they could make that work with their current billing services.

Steve Kleinlein, IT Specialist, stated that he wanted to clarify some issues that were brought up this evening. With regard to software changes, he stated that this has to be done by the vendor and that can take some time to get done, which could be the reason for some of the delay. He commented that as far as removing information from the database, it is a locked database due to medical record information being stored and they are unable to remove any information.

Councilmember Bridges inquired who attends the monthly meetings and if there are any outstanding issues currently with Farmington Hills Fire Department. Ms. Doxtader responded that Botsford staff and Department Chiefs and/or Deputy Chiefs. She noted that the meetings were changed to bi-monthly recently as concerns were being addressed by the staff person they had dedicated for that purpose. She stated that she could not pinpoint any outstanding issues at this time.

Councilmember Steckloff inquired about the problems that were reported 3 years ago and had yet to be addressed. Chief Bartsch commented that required reporting to the State was not occurring on time up until last month and incorrect information was being submitted. He noted that the Department was notified by the County that they had 500 runs submitted without patient names, which was identified a while ago and the Department is still seeing some of these same issues.

Discussion was held on the software and database system and ongoing issues identified by the Fire Department. Botsford staff indicated that they are hearing about some of these issues for the first time this evening, but will look into the issues.

Mr. Kleinlein commented on how Botsford could utilize the ESO product and make that work seamlessly with their billing services.

Councilmember Bridges inquired if the City of Livonia was going to approve a contract with AccuMed Group.

Shadd Whitehead, Livonia Fire Chief, confirmed that his Department was going to recommend AccuMed Group. He stated that the Farmington Hills Purchasing Department is thought very highly of and Livonia asked to be a part of the QBS process. He stated that this process for services is very difficult as it is so thorough, but feels it is a good process as you are looking for quality. He commented that he believes the committee had the highest of integrity throughout the process and found the best system.

Dave Heavener, Livonia Training and EMS Coordinator, added that 9 of his staff reviewed the software products from the 3 qualified vendors, and Livonia has had 2 years experience now with Parastar. He stated that hands down ESO was the easiest software to use. He commented that the accuracy rate of the information being put into the system is so much more critical than the collection rate. Mr. Heavener added that the Livonia Fire Department has had many inaccuracies with Parastar and the new software would allow for more accuracy in the billing process.

Councilmember Bruce asked about Livonia's experience with Parastar and problem solving. Mr. Heavener responded that it was difficult to get them to understand the fall-out from the issues that were occurring and he did not feel that they were listening to the concerns. He commented that there are many issues with the current software as it allows for inaccuracies and contradictory reports.

Mayor Brickner inquired if the scoring was fairly uniform amongst the members from all 4 communities involved in the consortium or if there were discrepancies. Mr. Heavener responded that there were no vast discrepancies and each community had an equal voice. He added that the Farmington Hills Purchasing Department did a phenomenal job leading the cooperative bidding process.

Ms. Doxtader pointed out that input into the system is contingent on the amount of information the Fire Department crews put into it and that can also affect the ability to bill properly. She stated that they sometimes need to send letters out to people requesting more information. She added that they have certainly heard the concerns mentioned this evening about the software, but reiterated that the City could choose any software package and it could easily be used with their billing system.

Mayor Brickner stated that as mentioned earlier, City Council is unable to request any vendor to change their bid at this time, but thanked Ms. Doxtader for the information.

Mayor Brickner suggested a 5 minutes break before opening the special meeting to follow this study session.

**ADJOURNMENT:**

The special study session meeting adjourned at 8:30pm.

Respectfully submitted,



Pamela B. Smith, City Clerk