



City of Grand Island

Tuesday, October 28, 2014

Council Session

Item I-2

#2014-335 - Consideration of Approving Contract with Life Line Billings Systems, LLC for Emergency Medical Services and Fire Department Billing Services

Staff Contact: Cory Schmidt, Fire Chief

Council Agenda Memo

From: Cory Schmidt, Fire Chief

Meeting: October 28, 2014

Subject: Approving Contract with Life Line Billings Systems, LLC for Ambulance and Fire Department Billing Services

Item #'s: I-2

Presenter(s): William Clingman, Senior Accountant
Russ Blackburn, EMS Division Chief

Background

Currently the City of Grand Island Finance Department staff processes the billing of all ambulance department services. This requires staff time equivalent of 1.5 FTEs in the Finance Department.

A request for proposals (RFP) was sent out in August of this year in search of an Ambulance and Fire Department billing service provider. The City received three responses and the selection committee invited two for in-depth demonstrations. The recommendation the selection committee is bringing forward is a contract with Life Line Billing Systems, LLC, doing business as LifeQuest Services.

Discussion

With recent changes in the healthcare industry requiring continued training of city staff to understand the constant changes of rules and regulations surrounding ambulance billing, a third party vendor will be able to bring efficiency as well as expertise in Emergency Management Services billing and collections of insurance submission. LifeQuest Services has the expertise that is required and the ability to keep up to date on the ever changing environment of healthcare billing and insurance submission.

The charge for the billing services that LifeQuest will perform for the City is 6% of net fees collected on behalf of the City Of Grand Island. For the 2014 fiscal year this would have equated to approximately \$72,000 in fees. In reviewing the LifeQuest proposal, we believe the City will reduce the 1.5 FTE staff time spent on ambulance billing to .5 FTE or less.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approves the proposed contract with Life Line Billing Systems, LLC.

Sample Motion

Move to approve the contract with Life Line Billing Systems, LLC for ambulance and fire department billing services.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
EMERGENCY MEDICAL SERVICES AND FIRE DEPARTMENT BILLING**

RFP DUE DATE: August 20, 2014 at 4:00 p.m.

DEPARTMENT: Fire

PUBLICATION DATE: July 31, 2013

NO. POTENTIAL BIDDERS:

SUMMARY OF PROPOSALS RECEIVED

Midwest Medical Transport Co.
Columbus, NE

EMS Billing Services, Inc.
Omaha, NE

LifeQuest Services
Wautoma, WI

cc: Cory Schmidt, Fire Chief
Mary Lou Brown, City Administrator
Billy Clingman, Sr. Accountant

Russ Blackburn, EMS Division Chief
Jaye Monter, Finance Director

P1756

LIFE LINE BILLING SYSTEMS, LLC.

SERVICE AGREEMENT

This SERVICE AGREEMENT (“Agreement”) is entered into this first (1st) day of December, 2014, (“Effective Date”) by and between the City of Grand Island, a municipality duly organized and existing under the laws of the State of Nebraska, whose notice address is 100 E. First St, PO Box 1968, Grand Island, Nebraska 68802 (“Service Provider”) and Life Line Billing Systems, LLC., d/b/a LifeQuest Services, a limited liability company duly organized and existing under the laws of the state of Delaware, whose notice address is N2930 State Road 22, Wautoma, Wisconsin 54982 (“Agency”) (Service Provider and Agency are generically referred to herein as “Party” and/or “Parties”).

Article 1

Recitals

1.1 Service Provider Operations. Service Provider is engaged in the business of providing emergency medical services and is desires to receive Services from Agency.

1.2 Agency Operations. Agency is engaged in the business of providing a customized billing, payment collecting and data management system and desires to provide billing, payment collecting and data management services for Service Provider.

1.3 Consideration. In consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties hereby agree to the terms of this Agreement.

1.4 Definitions. Words with initial capital letters that are not proper names are either defined within the text of this Agreement or specifically as follows:

“Breach” shall mean the failure by one Party to perform any obligation set forth in this Agreement having an effect on the other Party. (A “Material Breach” of contract is a breach that strikes so deeply at the heart of the contract that it renders the agreement “irreparably broken” and defeats the purpose of making the contract in the first place.)

“Default Accounts” means Patient Accounts that are delinquent and considered in default by the Service Provider - the collection of which is by a third party and must be performed in accordance with the Fair Debt Collection Practices Act.

“Healthcare Accounts” means any Patient Accounts that are provided by a Service Provider that is regulated by the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) requiring additional obligations, warranties and covenants by the Parties that are referenced in this Agreement and within the incorporated and attached Exhibit B-2 and Exhibit B-3.

“Patient Accounts” means the accounts receivable that result from a patient’s receipt of ambulance and/or rescue services and include accounts not in default and in default.

1.5 Account Status. Agency provides billing services for Service Provider on Patient Accounts that are not in default and other services as provided in this Agreement.

Article 2

Services

Agency shall supply the customized billing and data management services for Patient Accounts to the Service Provider as detailed in this Article (“Services”).

2.1. Facility Management. Agency shall supply reports and do the billing through its employees as further detailed in Exhibit A-1 attached hereto and incorporated by reference.

2.2. Insurance Processing. Agency shall process insurance claims generated by the appropriate carriers of patients, who have provided the necessary information for insurance filings.

2.3. Inquiries. Agency shall handle and respond to all inquiries concerning the Patient Accounts by patients, insurance companies and Service Provider. Service Provider shall assist Agency with any inquiries related to the services provided by the Service Provider. Agency shall provide a toll-free telephone number for patient and Service Provider inquiries.

2.4. Software. Agency shall implement software upgrades as required by changes in the law and/or national insurance standards.

2.5. Reports. Agency shall create and review monthly reports for the internal analysis of factors affecting the collecting performance of the Patient Accounts and present the information to the Service Provider upon the detection of any means available to improve the efficiency of collecting those accounts.

Article 3

Obligations of Service Provider

3.1. Pre-Screening. Service Provider shall be responsible for the accuracy of the original data regarding the Patient Accounts delivered to the Agency as further detailed in Exhibit B-1 attached hereto and incorporated by reference.

3.2. Validity of Accounts. Service Provider represents and warrants to Agency that all Patient Account debts are valid, legally enforceable debts, and in compliance with any corresponding state or federal law (“Laws and Regulations”). Upon request by the Agency, Service Provider shall provide specific assurance of validity in accordance with the Laws and Regulations.

3.3. Notification Requirements. Service Provider must immediately notify Agency in writing of its actual, constructive or reasonably conceived knowledge of any of the following events: (i) any patient of Service Provider files bankruptcy, is represented by an attorney or has submitted a dispute(s) regarding any Patient Account to the Service Provider or is the subject of a complaint or a cease and desist notification by debtor during the time in which Agency is providing Services to the Patient Account (collectively referred to as “Consumer Actions”) and (ii) Service Provider receives any direct or indirect payment on a Patient Account or a returned check on any such payment during the time in which Agency is providing Services to the Service Provider.

3.4. Service Provider Representations. Service Provider represents and agrees that: (i) the Patient Accounts are in “Default,” if and when Agency has completed performance its billing services; (ii) if the date of Default is not specifically defined in the contract between the Service Provider and the Consumer, the Service Provider can, and if legally necessary, will provide evidence to show the Patient Account is in Default; (iii) there have been no Consumer Actions pertaining to any Patient Account that was received or known by Service Provider prior

to the Patient Account's placement with Agency; (iv) Service Provider has not placed any Patient Accounts in violation of the state law of the state in which the recipient of the ambulance and rescue service resides; (v) Service Provider will not request Agency to add any fees to any Patient Accounts, unless specifically authorized in the contract between the Service Provider and the recipient of the service or allowed by the state law where the patient resides; (vi) Service Provider has obtained all the necessary consents to contact the patient at the contact information provided by Service Provider to Agency and (vii) Service Provider shall provide Agency with information which is necessary for Agency to perform its obligations under this Agreement (collectively referred to as "Representations").

3.5. Ceasing collections. Service Provider has the right to cease billing/collection of any Patient Account upon Agency's receipt of written Notice from Service Provider.

Article 4

Term

4.1. Initial Term. The term of this Agreement shall commence on the Effective Date and shall continue for a period of thirty-six (36) months ("Initial Term").

4.2. Renewal. Upon the expiration of the Initial Term and unless otherwise Terminated, this Agreement shall be automatically extended and consecutively renewed for twelve (12) month terms (each shall be generically referred to herein as "Subsequent Term(s)") (the Initial Term and Subsequent Term(s) shall be jointly referred to as "Term").

4.3. Termination. This Agreement shall terminate as provided in this section ("Termination"). The date of termination is defined within each subsection ("Termination Date").

4.3.1. Written Notice. Any Party May terminate this Agreement at the end of a Term by giving written Notice to the other Parties at least thirty (30) days prior to the end of such Term. The Termination Date shall be the last day of such Term.

4.3.2. Discontinuance of Business. This Agreement shall terminate in the event the Agency discontinues the operation of its business. The Termination Date shall be the last day of the month in which Agency ceases operations.

4.3.3. Breach of Contract. A nonbreaching Party ("Nonbreaching Party") may immediately terminate this Agreement upon the allegedly breaching Party's ("Breaching Party") failure to cure the Breach within thirty (30) days of receipt of Nonbreaching Party's written Notice of the Breach, and having a material effect on the Nonbreaching Party that has been sufficiently set forth by the Nonbreaching Party and received in writing by the Breaching Party. The Termination Date shall be thirty (30) days from the Breaching Party's receipt of the written Notice of the Breach.

4.3.4. Failure of Performance. Except in the event of a Material Breach, the failure by either Party to perform any of their obligations hereunder shall not be deemed a breach of this Agreement unless the Party gives the Party failing to perform written Notice of such failure to perform.

4.4. Effect of Termination. The Parties agree that upon Termination of this Agreement for any reason, Agency shall be entitled to receive any accrued but unpaid Fees through the Termination Date and the rights and obligations of Section 4.5 and Articles 6-8 pertaining to confidentiality shall survive Termination and continue in full force and effect.

4.5. Additional Services. Service Provider agrees to pay Agency at a rate of Forty-five and no/100 Dollars (\$45.00) per hour in Payment Terms for any Services rendered after the Termination Date with the approval in writing by the Service Provider thereby agreeing to any additional services for Agency to be compensated under this provision.

Article 5

Fees

5.1 Fees. Service Provider shall pay Agency the fees set forth in this Article (“Fees”).

5.1.1. Initial Fee. Service Provider shall pay a non-refundable, one time setup fee of Zero Dollars (\$0.00) to the Agency upon execution of this Agreement.

5.1.2. Billing Contingency Fees. 6.0% of the Patient Accounts collected in phase one as further detailed in Exhibit A-1 attached hereto (“Billing Procedures”).

5.1.3. Phase Two. 22.0% of the Patient Accounts collected in Phase Two as further detailed in Exhibit A-2 attached hereto (“Phase Two”).

5.1.4. Phase Three. 34.0% of the Patient Accounts collected in Phase Three as further detailed in Exhibit A-2 attached hereto and incorporated by reference (“Phase Three”).
(Phase Two and Three are Optional and will be activated only upon a separate document with written approval of the Client.)

5.2. Payment of Fees. Service Provider and Agency agree to manage the payment of Fees in accordance with the provisions of this section.

5.2.1. Payments. Agency shall provide monthly payments from the Checking and/or Trust Account to the Service Provider.

5.2.2. Payment Procedure. Agency shall remit to Service Provider a statement of fees monthly. Service Provider shall remit to Agency payment of said fees after approval by City Council of said claim. City Council typically meets on the second and fourth Tuesday of each month. Agency fees shall be paid no later than five (5) days after approval by Council. Payments made after the due date shall be subject to a late charge of twelve percent (12%) per annum or the highest rate allowed by applicable law. Claims by Agency for said fees must be submitted to Service Provider no later than seven (7) days prior to scheduled Council meetings. United States Federally recognized holidays shall extend all due dates above by one (1) day. Service Provider acknowledges that its failure to authorize Fees to the Agency by the Due Date constitutes a breach of this Agreement. Service Provider grants Agency a lien on the Checking and/or Trust Account until the Fee is received by Agency. In addition, Service Provider shall be responsible for all costs of collection, including reasonable attorney’s fees incurred in enforcing this Section (“Payment Terms”).

5.2.3. Electronic Funds Transfer. When a check is used by Service Provider for Agency’s payment, the Service Provider authorizes Agency to either use information from any check received by Agency to make a one-time EFT from the applicable account or to process the payment as a check transaction. When Agency uses an EFT, funds may be withdrawn from the applicable account as soon as the same day Agency receives payment and Service Provider will not receive a cancelled check back from its financial institution.

Article 6

Confidential Information

The Service Provider hereby acknowledges that it shall have access to Agency's Confidential Information. Service Provider acknowledges that Agency's obligations under this Agreement are expressly contingent on Service Provider's compliance with this article. Service Provider expressly recognizes that: (i) the efficacy and profitability of Agency's business is dependent in part upon Service Provider's protection of Agency's Confidential Information; (ii) Service Provider may already possess Confidential Information which Agency desires to protect and (iii) in receiving Services, Service Provider may be provided access to and/or gain knowledge of Agency's Confidential Information as defined below.

6.1. Nondisclosure. To ensure the continued confidentiality of the Confidential Information, Service Provider shall not, during the Term of this Agreement or for a period of twenty-four (24) months after Termination of this Agreement, disclose to or use, for any other person or entity, directly or indirectly, any of Agency's Confidential Information, except as such disclosure or use is expressly authorized by Agency in writing, as permitted by law or is reasonably required in connection with performance of this Agreement.

6.2. Property. All Confidential Information and all Agency's files, reports, materials, records, documents, notes, memoranda and other items and any originals or copies thereof, which Service Provider either is provided, prepares, uses or simply acquires during the Term of this Agreement ("Property") are, and shall remain, the sole and exclusive property of the Agency and shall not be removed from Agency's and Service Provider's premises or disclosed to any other party without the prior written consent of Agency.

6.3. Confidential Information. As used herein, the term "Confidential Information" means any and all information relating directly or indirectly to Agency that is not generally ascertainable from public or published information or trade sources including, without limitation, all information concerning copyrighted materials, patented materials, contracts, forms, research, product information, services and pricing of services, patient data and any information protected by any state or federal privacy laws or regulations, which is or was disclosed to Service Provider, or known by Service Provider as a consequence of or through Service Provider's relationship with Agency.

6.4. Remedies. In the event of a breach of any covenant in this article, it is understood and agreed that Agency shall be entitled to injunctive relief, as well as all applicable remedies at law or in equity, available to Agency against the Service Provider and any such breach shall be a Material Breach.

6.5. Return of Confidential Information. Service Provider agrees, immediately upon the Termination of this Agreement, to make a diligent search for any and all Property and return to Agency or destroy the information as directed prior to, or upon, the Termination of this Agreement.

6.6. Applicable Law. The Parties shall comply with all applicable laws, including, without limitation, HIPAA and the additional requirements for any Healthcare Accounts as further detailed in Exhibit B-2 and Exhibit B-3 attached hereto and incorporated by reference.

6.7. Indemnification Regarding Open Records. Agency understands that the Service Provider must comply with public records laws, and the Agency may from time to time be the custodian of Service Provider's records subject to disclosure. Agency agrees to provide Service Provider with any public records it requests that do not fall under the protection of the HIPAA within seven (7) days after the Service Provider requests the same in writing.

Article 7

Indemnification

7.1 Agency Indemnification. Service Provider shall indemnify and hold the Agency and assigns harmless from and against any actions, causes of action, claims, demands, damages, costs, loss of services, expenses, compensation and attorney's fees incurred or suffered as a result of the Service Provider's breach of any provision of this Agreement whether by negligent or intentional means causing an incident where recovery is sought including, but not limited to, actions arising out of the failure of the Service Provider to fully, completely, accurately and adequately report, for purposes of the Agency's collection attempt of a Customer Account. It is understood and agreed that this acknowledgment is given as a full release of liability to the Agency.

7.2 Service Provider Indemnification. Agency shall indemnify and hold the Service Provider and assigns harmless from and against any actions, causes of actions, claims, demands, damages, costs, loss of services, expenses, compensation and attorney's fees incurred or suffered as a result of the Agency's breach of any provision of this Agreement whether by negligent or intentional means. It is understood and agreed that this acknowledgment is given as a full release of liability to the Service Provider.

Article 8

Miscellaneous Provisions

8.1. Exclusivity. Service Provider hereby acknowledges the Agency is the exclusive provider of the Services specified herein to the Service Provider.

8.2. Assignment. Either Party may freely assign this Agreement upon the nonassigning Party's failure to provide the written rejection, not to be unreasonably withheld by nonassigning Party, within thirty (30) days of its receipt of written Notice of assignment from the assigning Party.

8.3. Severability. If a court finds any provision of this Agreement invalid or unenforceable, the Parties agree that the maximum period or scope legally permissible under such circumstances will be substituted for the period or scope stated herein.

8.4. Governing Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Nebraska without giving any effect to any choice or conflict provision of law that would cause the application of the laws of any jurisdiction other than the State of Nebraska.

8.5. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if given: (i) in writing and personally delivered; (ii) sent by certified mail, postage prepaid, to the address set forth in the introductory paragraph or other notice address as designated in writing between the Parties prior to delivery and shall be effective and duly delivered on the day of personal or courier delivery; (iii) via electronic mail to an electronic mail address as designated in writing between the Parties prior to delivery and shall be effective and duly delivered upon the sending Party's confirmation of receiving Party's receipt of electronic notice or (iv) via electronic facsimile transmission to the name, address and facsimile number of the receiving Party as designated in writing between the Parties prior to delivery and shall be effective and duly delivered upon the sending Party's receipt of confirmation ("Notice").

8.6. Waiver. The waiver of one Party of a breach of any provision of this Agreement by the other Party shall not operate or be construed as a waiver of any subsequent breach.

8.7. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto, their respective heirs, representatives, successors and assigns.

8.8. Entire Agreement. This Agreement and any Exhibits or Addendums attached hereto shall be deemed to express, embody and supersede all previous understandings, agreements and commitments, whether written or oral, between the Parties hereto with respect to the subject matter hereof and to fully and finally set forth the entire agreement between the Parties hereto. No modifications shall be binding unless stated in writing and signed by all Parties hereto.

8.9. Counterparts. This Agreement may be signed in one or more counterparts but all of which taken together shall constitute one instrument.

8.10. Attorney Fees. In any proceeding to enforce the terms of this Agreement, each Party shall be responsible for their own attorney's fees, unless otherwise stated in this Agreement, or if an action brought forth is deemed frivolous by a court of law, in which case the Party bringing the frivolous action shall be responsible for any attorney's fees incurred.

8.11. Construction. The Parties and their respective counsel have had the opportunity to review and revise this Agreement. The Parties acknowledge that the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

8.12. Incorporation of Recitals and Introductory Statements. The Parties hereto acknowledge that the recitals and all introductory statements are true and correct and incorporated by reference.

8.13. Electronic Signatures. Facsimile and electronic signatures in PDF form shall be considered original signatures for the purpose of enforcing this Agreement.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the Effective Date.

Agency:

Life Line Billing Systems, LLC., d/b/a
LifeQuest Services
a Delaware limited liability company

Service Provider:

City of Grand Island,
a Nebraska municipality

By: Michael J. Finn

Its: CEO

Date:_____.

By: Jay Varicek

Its: Mayor

Date:_____.

EXHIBIT A-1
BILLING PROCEDURES

All billing services on Patient Accounts will be in the name of Service Provider.

Initial Billing

- Patient receives initial billing for services that were provided. In addition, Patient's primary insurance company is billed. With Patients who are participating in a Medicaid Program, Medicaid will be billed directly. If Medicaid Patient has primary commercial insurance coverage, that company will be billed first and Medicaid will act as a secondary carrier. Medicaid and Medicaid HMO Patients will not receive a bill if required by state law, unless appropriate waivers are allowed and obtained and signed by the Patient or other authorized person.
- On the back of the initial bill there is information provided to Patients which explains the billing process and reimbursement opportunities.
- The Patient will typically be billed within seven days of receipt of all the necessary billing documentation and information.
- For the convenience of the Patient transported by your service there is an invoice and a return envelope for sending the payment with all billings.

Second Billing

- The Patient will receive a second bill normally within thirty (30) days after the first bill was sent. Agency utilizes a scheduling procedure that places bills into specific cycles, which will ensure the submission of regularly scheduled billings. Once the Patient's primary insurance has paid, any secondary insurance will be submitted for consideration for any unpaid balances.

Third Billing

- Normally at this point, Medicare, Medicaid, and private insurance companies will have paid the maximum amounts eligible for the Patient.
- This invoice is sent normally within sixty (60) days after the initial billing has been forwarded. A note is also applied to this bill which reminds them of their responsibilities for payment.

Note: Any resubmissions that would be necessary due to lack of information or incorrect information would be resubmitted upon receiving the proper information at any stage of billing.

Collected Patient Fees

Checking Account. Agency shall make regular deposits of all payments received into a checking account established for the Service Provider by the Agency for the depositing of Fees collected on behalf of the Service Provider and to provide regularly scheduled payments to Service Provider and Fees to the Agency. The Agency will also manage and oversee all business activities related to the checking account and the posting of payments to proper Patient Accounts. Agency shall have the authority to manage the Checking Account, including without limitation stopping payments on refund checks or revenue checks that have not been cashed within a reasonable period of time. Service Provider further agrees to execute any such documents at each banking institution necessary to authorize the rights granted to Agency herein.

EXHIBIT B-1
DOCUMENTATION PROCEDURES

1. EVERY PATIENT must have the Insurance/Medicare Authorization form signed at the hospital by the patient or patient's representative.
2. EVERY Medicare or Medicaid patient that is transported from hospital to hospital or hospital to nursing home/residence must have a Physicians Certification Statement for transport completed by a doctor BEFORE the transport unless there is an acute emergency.
3. Agency does not bill for WAITING TIME for Medicare patients. Rather, the patient is billed for two separate runs.
4. Run Forms:
 - A. All documents must be written legibly.
 - B. The patient's name, address, phone number and Social Security number need to be documented if at all possible.
 - C. Record location of patient pick-up and transport destination.
 - D. Record all appropriate dispatch information. (Nature of Call)
 - E. Record all patient past history related to this emergency/non-emergency.
 - F. Record all patient complaints related to this emergency/non-emergency.
 - G. Complete a detail narrative indicating the medical necessity for transport.
 - H. Record patient's date of birth.
 - I. Record admitting/receiving doctor's name (first & last).
 - J. Obtain a copy of the hospital top/face sheet from the Emergency Department admit.
 - K. Obtain all available insurance information, including complete hospital admit form - copies of insurance cards are very helpful.
 - L. Record the responsible party for all patients.
 - M. Record all times accurately.
 - N. Record loaded mileage to the nearest tenth of a mile (i.e. 11.2 mi).
 - O. Record crew names, crew license levels and any specialty areas of expertise which are relevant to the patient care being provided.
 - P. Have all crew members review the form for accuracy and completeness before leaving receiving facility.
 - Q. Complete disposables billing, procedure and crew record form.
 - R. Service Provider shall keep copies of all information provided to the Agent.
 - S. Record reasons why transport by other means was contraindicated.
 - T. Record reasons why the level of service was required, i.e. ALS assessment.
 - U. Record patient condition at the time of transport including chief complaint.
 - V. Record zip code at point of pickup.
 - W. Obtain necessary Medicare and Medicaid waivers where appropriate, signed by patient or other appropriate person. *PCS and/or ABN

EXHIBIT B-2

Healthcare Account Provisions

These provisions provide additional terms not included in the Agreement that apply to any Healthcare Accounts placed by Service Provider.

1. **Healthcare Account Laws.** Health Insurance Portability and Accountability Act (HIPAA) and the Electronic Transaction, Security and Privacy Standards (“Standards”) promulgated by the Department of Health and Human Services and set forth in 45 C.F.R. Parts 142, 160, 162 and 164; as well as HIPAA governing privacy of certain information (“HIPAA Privacy Rule”) or the security of certain information (“HIPAA Security Rule”) (collectively the “HIPAA Rules”) (HIPAA, Standards and HIPAA Rules collectively the “Healthcare Account Laws”).
2. **Healthcare assurances.** Agency, for the purpose of the Healthcare Accounts: (i) is a “Business Associate” under HIPAA and (ii) will perform the Services within the limits of the Healthcare Account Laws.
3. **“Services”** for Healthcare Accounts also specifically include: (i) the determination of eligibility or coverage, including coordination of benefits or the determination of cost sharing amounts, and subrogation of health benefit claims; (ii) obtaining payment under a contract for reinsurance and related health care data processing; and (iii) review of health care services with respect to coverage under a health plan or justification of charges.
4. **Return of accounts.** Service Provider must accept, without penalty to Agency, any Healthcare Account that Agency believes or has reason to believe is subject to restrictions on the use or disclosure of Protected Health Information (PHI), as defined in 45 C.F.R. § 160.103.
5. **Notification requirements.** Service Provider must immediately notify Agency in writing of its actual or reasonably conceived knowledge of any restrictions placed on the use of Agency, along with sufficient detail to allow Agency to honor such restrictions.
6. **Service Provider representations.** Service Provider “Representations” also include (i) Service Provider has and shall obtain all necessary consents under 45 C.F.R. § 164.506 (c) for all Healthcare Accounts, sufficient to permit the disclosure of PHI to Agency and to permit Agency to perform services incidental to this Agreement; (ii) that the uses and disclosures of the PHI of Healthcare Accounts are consistent and in accordance with the Service Provider’s privacy policies and procedures adopted pursuant to the Standards, HIPAA and any other Applicable Laws and (iii) all uses and disclosures of the Healthcare Account information specified in this Agreement are made and authorized as part of treatment, payment and healthcare operations relating to Service Provider.
7. **Special confidentiality considerations for Healthcare Accounts.** The confidentiality considerations contained in this section apply to Healthcare Accounts only.
 - a. Agency is not prohibited by confidentiality from sending the patient or the responsible party a copy of the bill issued by Service Provider or using a copy of the bill issued by Service Provider as evidence in a court proceeding.
 - b. To the extent the Services provided to Service Provider by Agency may cause Agency to be defined as a “Business Associate” of Service Provider under the HIPAA Rules, and the Service Provider in its capacity as a “Covered Entity” as defined in the HIPAA Privacy Rule is required to comply with the HIPAA Privacy Rule or the HIPAA Security Rule, Agency shall:
 - i. not use or further disclose PHI, other than as permitted or required by this Agreement or as required by law, further provided that in any case, such use or disclosure would not constitute a violation of the HIPAA Privacy Rule if done by Service Provider;

- ii. other than as provided for in this Agreement, use appropriate administrative, physical and technical safeguards to prevent use or disclosure of PHI, and to reasonably and appropriately protect the confidentiality, integrity and availability of the electronic PHI that Agency creates, maintains or transmits on behalf of Agency, and provide Service Provider with any requested information regarding such safeguards;
- iii. be obligated to provide information, to make corrections or amendments to information, to respond to the written instruction or request of Service Provider; and deliver information and documentation to Service Provider as directed, in writing, by Service Provider;
- iv. promptly report to Service Provider any use or disclosure of PHI by Agency, its officers, directors, employees, agents and subcontractors and, to the extent known by Agency, report to Service Provider any use or disclosure by such persons not authorized by this Agreement and the remedial action taken by Agency with respect to such use or disclosure and provide such information to Service Provider upon written request of Service Provider, which request shall be made only in connection with an accounting request made to Service Provider under the then applicable HIPAA Standards;
- v. information regarding any unauthorized use or disclosure of PHI shall be maintained by Agency for a period of not less than six (6) years from the date of such unauthorized use or disclosures;
- vi. report to Service Provider any PHI not provided to Agency by Service Provider that Agency becomes aware;
- vii. ensure that any agents of Agency, including a subcontractor, to whom Agency provides PHI that is received from, or created or received by Agency on behalf of Service Provider, agrees to the same restrictions and conditions set forth in this section that apply to Agency with respect to such PHI;
- viii. to the extent applicable to Agency, promptly make available PHI in the Designated Record Set (as defined in 45 C.F.R. § 164.501) in accordance with 45 C.F.R. § 164.524;
- ix. to the extent applicable to Agency, promptly make available PHI in the Designated Record Set for amendment and incorporate any amendments to PHI as requested by Service Provider in accordance with 45 C.F.R. § 164.526;
- x. to the extent applicable to Agency, promptly make available information required for Service Provider to provide an accounting of disclosure in accordance with 45 C.F.R. § 164.528;
- xi. use and disclose the information for the proper management and administration of Agency and to carry out the legal responsibilities of FAC, including, but not limited to its duties under the FDCPA and as otherwise provided in this Agreement;
- xii. mitigate, to the extent practicable, any harmful effect that is known to Agency, of a use or disclosure of PHI by the Agency in violation of this Agreement;
- xiii. shall provide Service Provider with copies of any subcontractor or agent contracts upon written request throughout the Term;
- xiv. make PHI available to Service Provider and to the individual who has a right of access as required under HIPAA within thirty (30) days of the request;
- xv. make Agency's internal practices, books, and records related to the use and disclosure of PHI received from, or created or received by Agency on behalf of Service Provider available to the Secretary of Health and Human Services for purposes of determining Service Provider's compliance with the Health and Human Services Department Standards

for Individually Identifiable Health Information, 45 C.F.R. Parts 142, 160, 162 and 164; and

- xvi. within thirty (30) calendar days of termination of this Agreement, if feasible, return all PHI received from, or created or received by FAC, its agents and subcontractors on behalf of Service Provider that is maintained in any form, or, if such return is not feasible, extend the protections of this section to the PHI retained by Service Provider and limit further uses and disclosure of PHI to those purposes that make the return or destruction of the PHI infeasible.

- 8. **Reimbursement.** Service Provider shall reimburse Agency for reasonable costs and expenses that it incurs to search, restore, compile, photocopy or otherwise reproduce and deliver information, data or documents pertaining to Services provided under this Agreement whether requested by Service Provider, its agents and representatives, the patient for whom healthcare services were provided, the responsible party on the Healthcare Account, the Department of Health and Human Services or any other person or entity entitled to such information by operation of law or contract when and as approved prior to incurring of charges by Service Provider.

RESOLUTION 2014-335

WHEREAS, the City of Grand Island advertised a request for proposal for Ambulance and Fire Department Billing Services; and

WHEREAS, the City received and reviewed proposals from vendors; and

WHEREAS, Life Line Billing Systems, LLC is the vendor recommended to provide ambulance and Fire Department billing services; and

WHEREAS, Life Line Billing Systems, LLC will charge the City Of Grand Island a fee of 6% of net cash collected.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, to approve the contract with Life Line Billing Systems, LLC.

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Adopted by the City Council of the City of Grand Island, Nebraska, October 28, 2014.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
October 24, 2014	☐ City Attorney