



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Approving a Collection Services Agreement with Municipal Collections of America, Inc. to Provide Debt Collection Services for Non-Resident Ambulance Service Delinquent Balances and Authorizing its Execution

Overview

The Village Fire Department provides ambulances services as outlined in code sections 4-1-1 through 4-1-15. The Village is typically compensated for providing such services from Medicare, Medicaid, or private insurance (or a combination thereof). Per the code, any billed amounts not covered by public or private insurance are written off for residents. However, non-residents who are only covered by private insurance (not Medicare or Medicaid) are responsible for the full billable amount, including any such amounts not covered by insurance.

Please note that this item for the collection of delinquent ambulance billing accounts was tabled at the January 29 and February 19, 2019 meetings for additional discussion and feedback presented to staff from the Village Board. Based on those discussions, a different vendor, Municipal Collections of America Inc. (MCOA), is now being recommended by Village staff. This particular vendor does not report to the credit bureaus. In addition, MCOA charges a slightly lower contingency fee of 25% which is slightly less than the 30% charged by the previously recommended vendor.

Staff Recommendation

Approve the Resolution.

Fiscal Impact

No impact to the budget. Fees will be paid on a contingency basis and deducted from any delinquent amounts collected.

Background

The Village uses the services of Andres Medical Billing (AMB) for all ambulance billings, however, the company does not provide collection services on delinquent accounts. Rather, AMB partners with several debt collection agencies which specialize or have experience with collecting delinquent ambulance account balances.

The billing company used by the Village, Andres Medical Billing, Ltd. (AMB), is holding on to various

receivables for non-resident services but no action to collect such amounts has been taken up to this point. It is staff recommendation to hire a debt collection agency experienced with ambulance receivables to recover delinquent amounts for services provided to non-residents.

Based on the feedback and desires of the Village Board, it is a staff recommendation to utilize the services of Municipal Collections of America, Inc. (MCOA) located out of Lansing, Illinois. The company has approximately 45 employees and is well versed in ambulance collections as well as other types of municipal receivable collections. MCOA would be paid on a contingency basis of 25% of all non-resident receivables that they collect.

For uncollectable accounts, even after all efforts fail, MCOA would not report such accounts to the credit bureaus.

For informational purposes only and as provided at a previous board meeting, attached is a spreadsheet summarizing recent resident and non-resident balances due to the Village. However, only non-resident balances would fall under this agreement.

Alternatives

Opt not execute an agreement to collect delinquent ambulance charges from non-residents.

Previous Board Action

N/A

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A

Performance Management (MAP) Alignment

N/A