

Memorandum

To: Members of the Common Council

From: Martin Matson, City Comptroller

Date: February 25, 2016

Re: TRIP Program for 3rd Party Ambulance Providers

File #151498 was introduced at the Public Safety Committee for the passage of the authority for 3rd party ambulance providers to utilize the City's tax refund intercept program (TRIP) to collect on unpaid billings. This action may pose risks to the City as outlined below. We respectfully ask for this file to be held until a full examination has been completed.

- This program may negatively impact impoverished neighborhoods as they are most likely to not have the means to pay their bills. This was a known quantity as part of existing ambulance contracts. An examination of rate setting would need to occur, as the city-imposed rates may now be out of sync with the proposed change.
- As a result of Wisconsin 2015 Act 59, the City may ultimately be held responsible for the outstanding debt of the residents owed to the 3rd party ambulance providers once it has been certified as municipal debt as part of the TRIP program.
- This action may allow the ambulance providers a higher priority with the City's tax refund account. Should any other city receivable be certified in the future, ambulance companies may have first priority.
- It is indeterminate if Medicare required write-downs will now be considered collectible by the service providers.
- There are no documented contract requirements with the service providers of the process of certifying with the City as pass through to the State. All ambulance contracts may have to be re-negotiated to enforce adherence to policies and procedures not yet created.
- Audit/review requirements would most likely have to be instituted. There is currently no capacity to perform this activity either at the MFD or Comptroller's office. An outside service provider may need to audit on the City's behalf.

- The Comptroller's Office will require both the City Attorney and the city's financial auditor to opine on potential legal and financial/accounting impacts.
- This program will have to be adequately administered both from verifying the ambulance companies are following the correct protocol for receivables, certification of those receivables to the State and review/processing of monies collected and distributed to accurately reflect the intent of the statute.

Please consider these items as noted, so that upon passage, a robust program has been identified, annotated, and contracted, to mitigate any risks posed to the City. This is NOT cost neutral to the City.