



Fire Department

Douglas A. Holton
Chief
Michael L. Jones
Assistant Chief

September 28, 2009

To the Honorable
Members of the Common Council
City of Milwaukee
200 East Wells street, Room 205
Milwaukee, WI 53202

Dear Common Council Members:

Until 2007, the Milwaukee County billed and collected patients for paramedic services provided by local emergency medical service departments. In January 2007, the terms and responsibilities of the Milwaukee County and local emergency medical services provider changed, including making local governments accountable for their own billing and collection services. The Milwaukee Common Council adopted the changes outline in a 2007-2008 Emergency Medical Services agreement on January 17, 2007, pursuant to Substitute Common Council Resolution 060984, which contained a provision to hire Claims Processing and Receivables (CPR) Inc. to provide billing and collecting services from April 1, to September 30, 2007. Advanced Data Processing Incorporated (ADPI) replaced CPR effective October 1, 2007 to September 30, 2013. The agencies generate billing for patients who receive care from fire department emergency medical services responders and collect for those services from patients, their Medicare, Title XIX, GAMP, and commercial insurances for emergency medical services provided by Milwaukee Fire Department response personnel.

Milwaukee County makes annual payments to the City of Milwaukee for paramedic training and supplies, contingent upon adopted Milwaukee County budgets. We received about \$1,206,154 in 2007, \$1,245,609 in 2008 and \$374,982.16 as of August 31, 2009 (Jan-Mar payments) based upon a formula and our total MED units. Since April 2007, payments from the Milwaukee County and revenues collected from patients and their insurance companies have contributed \$14,919,229.53 deposits to the general fund. Several accounts are reasonably expected to be written off based on reimbursable limits established under various insurance guidelines.

In 2007, collections from ALS patients and their insurance agents totaled \$4,068,171 compared to \$5,536,782 in 2008 and \$2,487,530 on August 31, 2009. In 2008, technology improvements helped boost revenue collections over 2007, adding new accounts totaling \$1,021,131.99, and reporting an accounts receivable year end balance of \$5,942,283.86.

The probability of collecting full payments diminishes as accounts age, due in part to changes in patients' insurance coverage, or lack thereof, and decreasing household and disposable incomes. To maximize our collection efforts, account receivables that are more than 150 days old are subject to referral to Kohn.

Receivable Aging:

MILWAUKEE FIRE DEPARTMENT – E M S Billing Accounts Receivable Aged Trial Balance		
Report as of:		12/31/2008
AGE	A / R Balance	% A / R Balance
Current	\$981,236.13	17%
30 Days	\$786,176.18	13%
60 Days	\$663,332.74	11%
90 Days	\$450,458.82	8%
120 Days	\$362,033.00	6%
150 Days	\$2,699,046.99	45%
TOTAL	\$5,942,283.86	100%

Paramedic Program 941223

Actuals	2007	Pct	2008	Pct	2009	Pct
January	0.00	0%	544,792.10	8%	142,339.62	0.05
February	0.00	0%	578,787.24	9%	367,841.58	0.13
March	0.00	0%	563,371.15	8%	280,182.98	0.10
April	738,368.40	14%	373,944.88	6%	694,068.96	0.24
May	453,227.69	9%	510,811.20	8%	260,917.90	0.04
June	301,332.62	6%	921,823.18	14%	326,407.27	0.05
July	548,550.38	10%	439,780.55	6%	342,576.60	0.05
August	445,181.71	8%	530,305.39	8%	448,177.62	0.07
September	837,083.90	16%	481,666.40	7%		
October	561,027.47	11%	571,745.77	8%		
November	493,765.34	9%	404,267.64	6%		
December	895,788.46	17%	861,095.53	13%		
Total	\$ 5,274,325.97		\$ 6,782,391.03		\$ 2,862,512.53	
Runs	25,705		26,451		17,607	

Please contact my office if you have questions related to this report.

Sincerely,


DOUGLAS A. HOLTON
 Chief

cc: Budget Office