

DEPARTMENT OF CITY CLERK

CITY HALL

NOVEMBER 8, 1993

The Committee on Finance meets this day at 5:00 o'clock P.M., in Committee Room "A", City Clerk's Department, City Hall.

PRESENT: Chairman Dillon, Councilman Glavin and Councilman Igliazzi.

ABSENT: Councilwoman Fagnoli and Councilman Fenton.

(Subsequently, Councilman Fenton joins the Committee).

Also present are Stephen Woerner, City Internal Auditor, Boyce Spinelli, Finance Director, Alex Prignano, Budget Officer, Cris Nocera, Deputy Director of Policy, Kathy Moretti, Personnel Director, Lisa Vitullo, Data Processing Coordinator, Stephen E. Tortolani, President - Lighthouse Medical Management, Inc., William B. Scatchard, III, Vice-President - Lighthouse Medical Management, Inc. and Claire E. Brooke-Stewart, Assistant Clerk.

MR. STEPHEN TORTOLANI INVITED RELATIVE TO LIGHTHOUSE MEDICAL MANAGEMENT, INC., CONCERNING BILLING FOR EMERGENCY MEDICAL SERVICES.

CHAIRMAN DILLON: Item number 1, Stephen Tortolani, Lighthouse Medical Management concerning billing. As I understand it, you have made a proposal to bill on the city's behalf for rescue, ambulance services.

MR. TORTOLANI: That's correct.

CHAIRMAN DILLON: You have already responded to the bids?

MR. TORTOLANI: That's correct.

CHAIRMAN DILLON: Have you been awarded?

MR. TORTOLANI: Yes.

CHAIRMAN DILLON: Okay, tell us what you are going to do. Tell us how much revenue we can book.

MR. TORTOLANI: I think it might be important, first of all, to take a step back so that we have a full purpose as to what this means, not only for Providence but for the State of Rhode Island. Essentially, right now, based on our calculations and based on what we know so far, the State of Rhode Island is the only state where tax funded municipalities do not bill for EMS Services. If you go across the borders, north or south, Connecticut, Massachusetts, Vermont, New Hampshire, Maine, a majority of those states, virtually all tax funded municipalities bill for EMS Services and Rhode Island has been very unique in not doing this. Objective of our company about 8 months ago was to specifically go after the insurance companies to get, I guess, the proper approval through the different channels so that billing could be done and when we went to the appropriate parties Blue Shield and Medicare and Medicaid, their answer was plain and simple, tax funded Rhode Island Municipalities will not get paid for these services which we thought was quite odd. We took it to a national level, basically to ----- office in Boston who administers the Medicare policies, we basically said, it doesn't make any sense. Rhode Island

November 8, 1993

Municipalities aren't being reimbursed and many towns had tried, Woonsocket, Newport, many others had tried, Providence had tried several times, to get reimbursed as well, or at least start the process and Boston thought it odd as well. We did some research and about 7 or 8 weeks ago, determined that, in fact Rhode Island Medicare would have to pay for these services.

CHAIRMAN DILLON: Rhode Island Medicare.

MR. TORTOLANI: Rhode Island Medicare which is administered by Rhode Island Blue Shield which is the first time in 15 years that they would ever admit that they would pay for these services which is very exciting for all municipalities. Right now we are actively talking to about 34 out of the 39 municipalities that are interested in progressing in Rhode Island. In Providence, it is definitely one of the first towns to jump on.

CHAIRMAN DILLON: How about Medicaid? Do they have to pay too?

MR. TORTOLANI: Medicaid has to pay as well. Medicaid basically has to do whatever Medicare does.

CHAIRMAN DILLON: You get something from Medicare?

MR. TORTOLANI: Yes.

CHAIRMAN DILLON: Can you send us a copy of that?

MR. TORTOLANI: Yes. We are getting verification.

CHAIRMAN DILLON: How much per?

MR. TORTOLANI: Our estimates right now is that income to the town, and these are estimates.

COUNCILMAN IGLIOZZI: To the town or to the city?

MR. TORTOLANI: To the city, I am sorry.

COUNCILMAN IGLIOZZI: Just want to make sure we are talking about the right place.

MR. TORTOLANI: Again, these are estimates. We have not received profiles yet from Medicare and from some of the other respective insurance companies.

CHAIRMAN DILLON: How do they determine the profiles?

MR. TORTOLANI: Profiles are going to be determined based on what they paid some other private carriers in the State of Rhode Island.

CHAIRMAN DILLON: Other ambulance companies?

MR. TORTOLANI: Like Norfolk or another private organization. There are estimates right now that are across the board high and low and for indigent and uninsured who are estimating the average reimbursement amount for an EMS run would be about \$125.00. Now, for example, a commercial insurance carrier would pay upwards to \$200.00, \$225.00 for an ALS or Advanced Life Support. You can get paid as high as \$190.00 to \$180.00 per run based on whether there was EKG interpretation or if you were charging for miles if there was a long transport, whatever it may be. But again, Medicaid pays a lot lower than that. Medicaid will pay

November 8, 1993

generally \$50.00 per run so our average reimbursable amount we feel is going to be about \$125.00.

CHAIRMAN DILLON: The charge is going to be how much? It depends on.

MR. TORTOLANI: It really depends. We can't really determine straight out what the charge is going to be.

CHAIRMAN DILLON: How about a straight with no life support?

MR. TORTOLANI: Your ALS is probably going to be somewhere in the \$200.00 range and your BLS which is Base Life Support, will be in the \$160.00 per range. What you charge and what you get paid by Medicare and Medicaid are irrelevant but what you get paid by a commercial insurance carrier will be pertinent based on your fee amount because if Prudential, Etna, Liberty Mutual, will pay you basically on the face value if it is reasonable and customary, if it is a customary fee.

COUNCILMAN IGLIOZZI: What does ALS mean?

MR. TORTOLANI: ALS is Advance Life Support.

COUNCILMAN GLAVIN: EKG and stuff like that.

MR. TORTOLANI: Yes.

CHAIRMAN DILLON: Somebody has a heart attack, that is what you would have.

MR. TORTOLANI: Yes. A lot can qualify for ALS but a BLS would be a cut, sprained ankle, something that is not life threatening. Between 50 and 60% of all runs classify as ALS. Two of the insurance carriers, to date, have publicly announced that they will not pay for these services, one being Ocean State or United Health Plans of New England and Blue Shield of Rhode Island and most people cringe at that because you can't discriminate and only bill Medicare, Medicaid and the commercial insurance carriers. In part agreement with these insurance carriers is that if you bill one, you must bill all so if we were to pick up a straight Blue Shield patient and they were to take an emergency vehicle transport, they would get billed personally for that run. That is part of the deal. The one thing that we want to make very clear is that represents a very small percentage of the transportation. Our estimations, based on about 50 to 20 surveys we have done with local towns.....

MR. SCATCHARD: Including Providence.

MR. TORTOLANI: Including Providence is only about 6% of transportation right now is to straight Blue Shield patients and about 3% to straight United Health Plan Patients.

CHAIRMAN DILLON: Say that again? About percentages again?

MR. TORTOLANI: About 6% on average are straight Blue Shield patients and about 3% are Ocean State or United Health Plan patients. Those numbers struck us as odd as well but if you look at the demographics of that patient base, most EMS services are utilized by the very poor or the very old or are either workers' comp. related injuries or motor vehicle. If somebody

November 8, 1993

gets into a car accident, Blue Shield doesn't cover that. If someone falls off the ladder at work and they have Ocean State, Ocean State doesn't cover that, that is covered by workmens comp. situation which covers the individual transports so it is a very small percentage. 8, 10 years ago, when Mass. revolutionized their EMS billing as well, they ran into the same situation. Mass. Blue Shield said, we are not going to pay for EMS services and very soon after, a number of towns started to bill for these services, Mass. Blue Shield turned around and started to pay Mass. Municipalities for these services. Primarily because public pressure was too great and it represented a very small incremental amount to add on to the policy.

CHAIRMAN DILLON: It seems more than 6% of the people in Rhode Island have Blue Cross.

MR. TORTOLANI: Absolutely. I think Rhode Island Blue Shield is about 36%.

CHAIRMAN DILLON: That is more like it.

MR. TORTOLANI: But if you look at utilization. Who uses EMS services and the ultimate guarantor after a run, a very small percentage is Blue Shield and Ocean State. Because typically, if you or I were to jump into an emergency vehicle, hopefully it is not for chest pain, but typically because we had been in a car accident or we were walking and we fell down a flight of stairs and those are all covered by other carriers other than Blue Shield, other guarantors.

COUNCILMAN IGLIOZZI: What is the reason why Blue Cross and Blue Shield and Ocean State say they will not pay? It is not in their contract or they are just making an interpretation of the language?

At this time, Councilman Fenton joins the Committee.

MR. TORTOLANI: That is an interesting question because right now they say they don't have to pay it because simply, put in their contract, if you look at the booklet....

MR. WOERNER: This is the letter they gave me.

CHAIRMAN DILLON: Their contract but they are subscribing.

MR. TORTOLANI: Yes, but even more interesting is something that the insurance commissioner of Rhode Island found very interesting was that they do pay private EMS coverage so if you are picked by a private guy, they will pay but if you are picked up by a tax funded EMS services, they won't pay and according to the insurance commissioner of Rhode Island, he feels that is blatant discrimination and is willing to go after Rhode Island Blue Shield if there is a formal complaint made by a city or town so we are waiting for a formal complain to be able to work that angle. Your ultimate question was, what does this mean to Providence revenue wise, our estimation right now is just shy of 2 million dollars, about 1.9 million dollars is our estimation.

CHAIRMAN DILLON: This year?

MR. TORTOLANI: In 1994.

MR. WOERNER: The full calendar.

November 8, 1993

MR. TORTOLANI: The calendar year.

COUNCILMAN IGLIOZZI: How many runs a year?

MR. TORTOLANI: About 22,000 runs a year.

COUNCILMAN IGLIOZZI: How many of that would be covered without litigation?

MR. TORTOLANI: Again, we are estimating, the high low, the average reimbursable amount per run is \$125.00.

COUNCILMAN IGLIOZZI: So you are just multiplying.

COUNCILMAN GLAVIN: That is what percentage of the 22,000?

MR. TORTOLANI: All of it.

COUNCILMAN GLAVIN: All of it?

MR. TORTOLANI: That is including a percentage that we don't get paid anything on, a percentage where I get full about \$225.00.

COUNCILMAN IGLIOZZI: Did you do a median?

MR. TORTOLANI: Yes, it was actually a little bit higher than \$125.00. I wanted to give you kind of a full estimate of what it would be.

COUNCILMAN IGLIOZZI: So if all things go bad, that is the number?

MR. TORTOLANI: Unless we are overlooking something and we looked at everything. We have been involved in this in Massachusetts. Bill and I with our former employee, worked with EMS services and billing. It is a pretty simple procedure.

CHAIRMAN DILLON: What is that procedure? Tell me about the billing part.

MR. TORTOLANI: The billing process as far as what it takes to get the billing out as simple as we can possibly make it, we are working with Peter Leri right now at the Department of Health and we are trying to get clarification through him to use the front of the new state forms which has all the information that we need to do the billing. It has the patients name and address, has a diagnosis of the patients problems, it will allow us to code it properly to bill the information to the insurance company.

CHAIRMAN DILLON: Where are you going to get that information from?

MR. TORTOLANI: Right now, every time a run takes place, an EMS run.....

CHAIRMAN DILLON: So the guy is going to be taking all this information.

MR. TORTOLANI: He has to do it right now anyway. He has to fill out a very extensive form right now, a state form, which indicates the patients name, address, virtually everything that we need is on this form, except insurance information. All they have to right is RIBS, Rhode Island Blue Shield or Medicare or Medicaid and we have computer systems that link directly into that data base so if they have a Steve Tortolani who is 75 years old and lives in Providence, then that is all I need to jump into our computer system to get Steve's subscriber number to bill that

November 8, 1993

information appropriately. The actual process itself, should be virtually effortless on the part of the extra EMT's that are responding to the calls.

CHAIRMAN DILLON: Anything on health care reform? What is that going to do for this thing?

MR. TORTOLANI: Actually, health care reform is a very positive review on this. Clinton's plan vows to cover all EMS services through every insurance policy throughout the country. There are some policies that don't cover it and part of his reform is to cover all so if anything, it is very positive.

MR. SCATCHARD: One of the things you should also know is that, through Chief Bertoncini, we are in the process of putting together a training program for the EMT's that do the rescue runs so they will be briefed on the information that is necessary, how to go through the process of putting the information on the forms and that kind of thing.

MR. TORTOLANI: The only thing we will need to get from them is, we need as specific as possible with the actual call. Whether it was a motor vehicle accident, we need to know virtually everything about it, where it took place and who was hurt, who and what.

COUNCILMAN FENTON: When will they do all this?

MR. TORTOLANI: They do it right now when they return from the call, they fill out that paper work.

COUNCILMAN GLAVIN: Not to the detail that you are talking about, though.

MR. TORTOLANI: It could be to the detail. It really depends. We have worked with some in the past where the detail is spectacular and others where it is not. If anything, it is going to bring them up to the standard that they should be at for the state form.

CHAIRMAN DILLON: Are you going to have somebody on staff, or like going after them every day?

MR. TORTOLANI: With your volumes, yes. We will have someone pick up that information, virtually, daily.

CHAIRMAN DILLON: And where will that person be located?

MR. TORTOLANI: Our office is based in Providence. We are actually almost right across the street from the fire station on North Main Street.

COUNCILMAN FENTON: Are these going to be computerized or are they going to be all manually filled out.

MR. TORTOLANI: The state forms right now?

COUNCILMAN FENTON: Yes.

MR. TORTOLANI: Unfortunately, because it is a state form that Rhode Island developed, are all done manually and then they are scanned into the computer system here at the state.

November 8, 1993

MR. SCATCHARD: It is done on a bubble system, like a --- type thing. That is what they are just going to. That is just rolling out. Only 6 towns and cities have it in the state, so we are going to adopt our standards to that because it is what all the towns and cities are going to have to utilize.

COUNCILMAN FENTON: Yes, but these 22,000 runs in Providence are probably equal or greater to all the other runs in the State of Rhode Island, so wouldn't it make more sense if you are going to start this system and make it computerized....

MR. TORTOLANI: We are fully computerized.

COUNCILMAN FENTON: No, the same way a community police officer is now going to be computerized. Instead of having them write out each of the forms separately, the EMT, and then it goes to somebody else, it then goes to somebody else who then reads it in. Why not just put some computers right in even at the fire station or in the vehicle itself and just plug it in from right there.

MR. TORTOLANI: That would be unbelievable.

COUNCILMAN FENTON: But it would cost nothing. In comparison to what the cost of this program would be,

MR. TORTOLANI: It ultimately would have to come from the Department of Health.

COUNCILMAN FENTON: Why would it have to come from the Department of Health?

MR. TORTOLANI: Because right now they developed this brand new system that is just rolling out right now and this whole system was developed on this scanning technology and they have years and years of years. I don't think you are going to change their direction.

COUNCILMAN FENTON: Who is it up at the Department of Health?

MR. TORTOLANI: I think Peter Leary is heading this particular project but Lighthouse Medical Management will be more than happy to be involved in developing any type of a data....

COUNCILMAN FENTON: I take it you get it from the fire departments?

MR. TORTOLANI: All we do is take a copy of this form that they are already filling out for the state.

COUNCILMAN FENTON: And then you submit it to the state or they submit it directly to the state and you get.....

MR. SCATCHARD: They still have to submit their copy to the state because the state billing and data base of each run, trying to get some demographic information, age of patient, things like that. We get a copy of that form because the reason why we need the information is for billing purposes, regardless of what the state is doing, we need the demographic information to set up the billing function in our computer system so we are more or less taking a copy of that but the state still needs to get their information.

November 8, 1993

COUNCILMAN FENTON: It was in a desk top that was already, you know, a lap top that was already compatible with the data base of the state, then you would be saving the state a step as well as the city, a number of steps.

MR. TORTOLANI: Yes, you are right on the money.

CHAIRMAN DILLON: I want to assure and make sure this gets in the paper, no one is ever going to be refused rescue services because they don't have insurance.

MR. TORTOLANI: That is correct.

CHAIRMAN DILLON: I want to make sure that gets on the record that no one is ever going to be denied admission to the rescue because they don't have the money to pay.

MR. TORTOLANI: That would never, ever happen. We are still trying to get complete clarification. I have verbal clarification from Medicare that says, although you have to bill everyone, if a patient has no insurance at all, it is the option of the state to write that off.

CHAIRMAN DILLON: Do we have a policy on what we are going to write off and what we are not going to write off?

MR. TORTOLANI: The policy will be yours to write in conjunction with Lighthouse once we have formal -----.

CHAIRMAN DILLON: Then that leads to may last, I hope, legal question. Where is Patricia?

COUNCILMAN GLAVIN: She was here. What is the, you were saying, the approximate mid-range amount would be \$125.00?

MR. TORTOLANI: That is correct.

COUNCILMAN GLAVIN: Is that inclusive or exclusive of whatever management fee you people receive?

MR. TORTOLANI: That is inclusive.

MR. WOERNER: They are on 7% of collections, right?

MR. TORTOLANI: Yes, that is correct.

COUNCILMAN GLAVIN: So you are projecting a net of approximately 2 million dollars for calendar year 94 and that is after you people receive whatever reimbursement you get.

MR. TORTOLANI: That is correct.

MR. WOERNER: Have you found any decrease in the average number of run once the payment system has been instituted?

MR. TORTOLANI: I don't have any statistical information that says that. I would assume that would probably happen. In talking with Chief Bertoncini about some of the calls that he gets, some are just ludicrous.

MR. WOERNER: Taxi cabs.

November 8, 1993

MR. TORTOLANI: It is basically taxi cabs. To be quite honest, the feedback we have gotten from some of the private concerns in the state is that definitely has an effect on the amount of uses with the services so that some of the private concerns that have been billing citizens in their towns and cities where they implemented this service, they have seen a decrease in the amount of times that the rescue has been utilized, or abused, I should say, utilized is probably not the right word.

CHAIRMAN DILLON: Do we have to have any kind of legal authority to bill for rescue services?

MS. MCLAUGHLIN: You can pass a Resolution. That is all you can do.

MR. WOERNER: How about the fee schedule? Does that have to be in Ordinance form?

COUNCILMAN FENTON: Does this have to be bid?

MR. WOERNER: It has. It has gone through the Board of Contract and Supply has a sole vendor.

COUNCILMAN GLAVIN: It's a contract, isn't it?

MS. MCLAUGHLIN: It is a contract.

COUNCILMAN GLAVIN: What was included in the RFP?

MS. MCLAUGHLIN: The RFP explains services, what the city was looking for in terms of providing the service and then we asked for a percentage back. That is how we asked --- but that would be the only realistic way in which to establish this. So you are right, it would be a state contract. If the Council would like to cut a resolution explaining, you know, whereas, the City of Providence is expending so much per year on rescue services and whereas,.....

COUNCILMAN GLAVIN: Sort of a justification for the contract?

CHAIRMAN DILLON: Otherwise, why would Mr. Lighthouse here have to come to us? Why doesn't he just go follow the rescue squad and say, here is a bill. Somebody has to have some authority to say.....

MS. MCLAUGHLIN: No, he is an agent of the City. Just as though you have your parking tickets being collected, you have your taxes assessment.

CHAIRMAN DILLON: Yes, but we have an Ordinance that says, if you park more than 10 hours, then it is a fine, you know what I am saying? I don't know what....

MS. MCLAUGHLIN: That is municipal.

COUNCILMAN GLAVIN: Just like we are going to be doing something now with this lock box situation.

CHAIRMAN DILLON: But we passed an Ordinance that says the taxes are so much.

MR. WOERNER: And that the fees down at the licenses are so much and the parking tickets are so much.

November 8, 1993

COUNCILMAN GLAVIN: You are more concerned with the actual fee structure than the authority.

CHAIRMAN DILLON: There is an authority. The city has determined that it is going to charge for the service.

MS. MCLAUGHLIN: You have to recall you have to go by Medicare and Medicaid guidelines. You have to do that. You are not going to have a lot of choice on the fee schedule, whereas, you do have it on the parking tickets.

CHAIRMAN DILLON: No, we can charge whatever we want. They will pay whatever they think is appropriate to pay.

COUNCILMAN GLAVIN: You can probably do that in Resolution form, too.

MS. MCLAUGHLIN: You probably would want to go with the set guidelines. You don't want to go to far off.

CHAIRMAN DILLON: You are saying you are going to charge \$200.00 and you may get \$50.00 from Medicare.

MR. TORTOLANI: That's right. But we are not going to get \$200.00.

MR. WOERNER: No, from the private insurer you might, right?

MR. TORTOLANI: That is correct.

MR. WOERNER: So you want to get in on that....

CHAIRMAN DILLON: And I am saying, where do you have the authority to charge \$200.00. If I get the bill and I am a tax payer and I say, who are they? I paid for this already. Didn't I pay my taxes?

MR. TORTOLANI: But if you are a tax payer that has Medicare and you get the bill, but you won't, because it will go directly to Medicare, Medicare will pay the city on behalf of the patient x number of dollars, regardless of what you charge. You can charge \$1,000.00 for the run but they in no way will pay you \$1,000.00. They will pay whatever the fee schedule allows. What a citizen should really say is, why is my town or city, right now, paying for these services out of tax dollars because my insurance for this Medicare and Medicaid, Liberty Mutual, John Hancock is what I am paying for based on what I am paying out of premiums or what I have earned being a Medicare recipient, that is the real question. And why is every state in this whole country is taking from that pool, that Medicare pool, to finance their EMS or to build an EMS and to develop it and grow it and make it a better department and Rhode Island municipalities have that same financial.....

MS. MCLAUGHLIN: It certainly not difficult to draft an Ordinance.

COUNCILMAN GLAVIN: In minimum we have in contract. That is a bear minimum. I would think you may want to have a Resolution.

MS. MCLAUGHLIN: I thought a Resolution, but you can do an Ordinance.

November 8, 1993

COUNCILMAN GLAVIN: Just as an official endorsement of this policy. We have talked about this. It has been kicked around for a couple of years. I think it is overdo. I think we can recoup some significant dollars for the city. I think we may also, indirectly, discourage the frivolous issues of the rescue squad, which I think, has been acknowledge at budget time by various Chiefs of the Department and you want the service there to provide a basic need and people have the need but not to just take someone's whatever to where ever but I think you may want to look at that a little clearer.

CHAIRMAN DILLON: People can't pay, we should be able to say, look, if your income is this, we are not going to charge.

MS. MCLAUGHLIN: I put this together for the next meeting.

COUNCILMAN FENTON: I have two questions. One, I think, probably about two years ago when this Committee first raised it that it was reported by Blue Cross that they had no responsibility to pay for and they would not pay for. What is the change that will now make them?

MR. TORTOLANI: There is no change. They won't.

COUNCILMAN FENTON: Blue Cross will not pay under any circumstances.

MR. TORTOLANI: But it is a very small percentage of the actual transports that they place.

COUNCILMAN FENTON: The second question is and I have a clue as to what the answer is but why does the city need you?

MR. TORTOLANI: I made the whole process sound very easy from your point of view and that we would have to get a copy of the state form, a very simple form we have to get from you. The actual billing process, itself, is very intensive and very specialized. Meaning, we will take probably a one paragraph description of an accident or a gun shot wound, and what kind of gun and where it took place and all that information actual fits into a very descriptive code. There are 55,000 diagnosis codes that Medicare, right now, is absolutely severe on being able to code the situation precisely. If you don't code it precisely they won't pay.

CHAIRMAN DILLON: Can't they put it in ICD9 code?

MR. TORTOLANI: Absolutely. ICD9 to CPT which is, and the way they codes appear, if you have a situation where you have four or five different diagnosis, if it is a major car accident, the computer has to know which order those codes need to be in because if you go with your least effective diagnosis code first, you are going to get reimbursed, potentially, last or get denied or you will get pulled from an ALS to a BLS because you did the sprained ankle first and not the laceration of the face, because a sprained ankle was a BLS and a laceration to the face was an ALS which is a more severe code and therefore brings more dollar and we have software that does that very specifically and then that is just the coding. Once the system goes in codes, it bills

November 8, 1993

electronically to the respective insurance companies, for which we have complete set up and running electronically. The actual tracking will be kind of forcible, is very tricky. I am sure you hear statistics. 1 out of every 10 claims that goes to Medicare gets lost. The sort system has to be able to tract the instant you get beyond your 45th day. It is very difficult and confusing.

COUNCILMAN FENTON: Your rate is 7% of all collectibles?

MR. TORTOLANI: 7% of what is collected, that is correct.

COUNCILMAN FENTON: Is that standard for what you get? Is there any place else you would get a lower percentage?

MR. TORTOLANI: We are actually on average. We certainly have competitors. There is nothing in Rhode Island, per se, but we have competitors in Connecticut and competitors in Massachusetts. The average fee structure in Massachusetts is about 10% and the average fee structure in Connecticut is about 14%. We think are rates are very competitive. We are doing it because this is a brand new thing in Rhode Island. We want to do a good job, be competitive and we have invested in some very sophisticated software that hopefully will allow us to do it very efficiently

COUNCILMAN FENTON: Just for our indication, could you, because we need this in Ordinance form, and I know it has already gone through the Board of Contract and Supply, could you give us some paper work detailing that in the other states.

MR. TORTOLANI: Sure.

COUNCILMAN FENTON: As to what the fee structures are?

MR. TORTOLANI: Sure.

COUNCILMAN FENTON: If you have a bid like from Groten, Connecticut or whatever.

MR. TORTOLANI: I will get it for you.

CHAIRMAN DILLON: Any other questions. Thank you.

MR. TORTOLANI: Thank you very much.

FINANCIAL UPDATE FROM BOYCE SPINELLI

MR. SPINELLI: We were requested to give a financial update for, actually this goes through September, we don't have October ready yet. It will probably be ready in another week. This is a report that we give to the Providence Review Commission on a monthly basis and review it with them and this is one that we gave out at our last meeting with them and the front page, basically, lists all the sources of revenue both city, state and federal and gives the budget for FY 94. I'll go through it really quick. The first column gives the actual revenue for last year and then it gives the collections for the same year to date period, July through September, that we are looking at this year so it would be July through September. The third column is the budget for this fiscal year. The fourth column is what we projected to collect during the period July through September. The next column is the actual collections, July through September and then the last

November 8, 1993

column over is the variance and that variance compares the actual collections on a year to date basis to what the projection was for that period of time. So for example, I will only take one example, if you take property taxes, you can see that the third column, the budget for the year was 160 million and we had projected, the next column, we had projected to collect 65 million July through September. We actually collected 65.8 million so we are running about \$800,000.00 ahead of what we had projected.

CHAIRMAN DILLON: That is in spite of the fact that the bills went out a little late, right?

MR. SPINELLI: The bills went out a little bit late.

MR. PRIGNANO: Last year they went out even later.

CHAIRMAN DILLON: Okay.

MR. SPINELLI: We lowered our estimated collection percentage from 90 to 89, though. It is a little bit more realistic. Anyway, the report is pretty self-explanatory. If you go down, like I say, in property taxes we are running ahead of schedule there.

MR. PRIGNANO: The fourth page just gives you a little explanation on the variances, you know, anything that is a negative impact.

CHAIRMAN DILLON: ----- the departments, 2 million?

MR. SPINELLI: The big one there is the Triggs revenue.

CHAIRMAN DILLON: I thought we kind of did that last year?

COUNCILMAN GLAVIN: Yes.

MR. SPINELLI: No, what happened was, we did not take the Triggs revenue in last year because we didn't close. There were two reasons for it. Number one, we didn't close on that until I think September.

COUNCILMAN FENTON: So you are counting it this year?

MR. SPINELLI: Right.

COUNCILMAN FENTON: How many times are you going count Triggs?

MR. SPINELLI: Only once. We can only count it one time. We are counting it this year.

COUNCILMAN GLAVIN: That was one of your gap fillers last year.

MR. SPINELLI: Right.

COUNCILMAN GLAVIN: What did you use to fill the gap?

MR. SPINELLI: When we got down to the end of the fiscal year, we had a couple of fortunate things happen that we didn't count, for example, the air rights from Rhode Island Hospital and a couple of other things.

COUNCILMAN FENTON: What were the other things?

MR. PRIGNANO: Two very good back taxes at a tax sale.

November 8, 1993

MR. SPINELLI: Our back taxes, we collected a couple of million dollars more in back taxes. Our attrition, savings from attrition, turned out a lot more than we had anticipated in keeping the position.

MR. PRIGNANO: The School Department did a lot better than we thought because right until the end of the year, they don't know how much they are going to pay for long term subs and all the rest of that. They don't really find out until that last month of the year and they did better than they expected.

COUNCILMAN FENTON: How do you guys do this with a straight face.

MR. SPINELLI: I am telling you the absolute truth. I am answering all questions. Seriously, what happened with Triggs, we can only take it one year but we didn't need it last year.

COUNCILMAN FENTON: Just move it from year to year.

MR. PRIGNANO: We didn't close until September.

COUNCILMAN GLAVIN: What was the last, ----- last fiscal year?

MR. PRIGNANO: We'll have a substantial surplus.

COUNCILMAN GLAVIN: How much?

MR. PRIGNANO: Million dollars.

COUNCILMAN GLAVIN: And that is going to be put towards?

MR. PRIGNANO: Into our regular fund balance. It will bring our fund balance from like 1.3 million up to like 2.3 million. Stephen met with the auditor's today and saw some preliminary numbers.

COUNCILMAN GLAVIN: So now your Triggs is in here, right?

MR. SPINELLI: Right.

COUNCILMAN GLAVIN: So year to date, you are saying the variance is 2.4 million more than you anticipated?

MR. SPINELLI: For total city sources, right. If you compare that to the projection.

COUNCILMAN GLAVIN: How about this Medicaid reimbursement we were talking about before?

COUNCILMAN FENTON: 3 million a year, right?

COUNCILMAN GLAVIN: How are we making out with that?

MR. SPINELLI: Medicaid reimbursement, for the year that ended FY 93, and Alex can correct me, we ended up, I think, about a million dollars short. We took in about 2 million and not the 3 million that was predicted.

MR. PRIGNANO: We were 2 million short. We took in a million.

MR. SPINELLI: We only took in a million?

MR. PRIGNANO: Yes.

November 8, 1993

COUNCILMAN GLAVIN: So with that being 2 million dollars short, you still had enough revenue from delinquent tax sales?

MR. PRIGNANO: Last year we had a budget of 7 million, roughly 7.4 for back taxes. We collected 10 million dollars. That is how we balanced the budget last year.

MR. WOERNER: I can get a detailed list.

MR. PRIGNANO: This year we knew, we presented to the budget in May, that we were doing better than the 7.4 and if you look at our back tax number this year, we pushed it to the 10 million but last year, that 2.6 million was the big thing that balanced our budget on the revenue side.

COUNCILMAN GLAVIN: So the Triggs lease is the big difference here, that and property tax collections?

MR. PRIGNANO: Yes.

MR. SPINELLI: And the other department category.

COUNCILMAN FENTON: This might be a sore subject, do you have the pilots non-passage worked in here?

MR. SPINELLI: Yes.

MR. PRIGNANO: If you look at, that doesn't show anything in the projected column yet because we wouldn't receive that money until next August so it is not showing as a negative on this report but you have to know the timing.

COUNCILMAN GLAVIN: It is revenue.

MR. PRIGNANO: If we obviously aren't successful on that pilot, that will show up at the end of the year as a negative variance of 5 million.

COUNCILMAN IGLIOZZI: What would it fall under, though, Alex?

MR. SPINELLI: Payment in lieu of taxes. If you look down on the state and federal.

MR. PRIGNANO: See the budget 7.4 million?

COUNCILMAN IGLIOZZI: Yes, I am sorry. I got it.

MR. PRIGNANO: There is nothing collected because it wouldn't have happened at this time of the year but we obviously know that that is an area we have to have a concern on.

CHAIRMAN DILLON: You used to do a little schedule that says this is better than we thought. Can you start doing that again? Those solutions in progress, solutions completed?

MR. PRIGNANO: Yes, okay. The end of October I am going to start getting projections with Schools because it is a little bit early. July and August there isn't much happening and we will start putting that type of schedule together but for this report, we just use the PRC report for the first quarter.

CHAIRMAN DILLON: Any other questions?

MR. PRIGNANO: There is the revenue side.

November 8, 1993

CHAIRMAN DILLON: Expenditures are in -----?

MR. SPINELLI: We don't have a check yet. That is being worked on. November 18th we are going to hear the motion to dismiss.

MR. PRIGNANO: We had a group of them in from Los Angeles, Friday. Trying to come up with the best way to sell it. There is a little attrition. What they do on the PRC report is, they go down here and they look through these percentages and if something jumps out at them, I explained those particular ones.

CHAIRMAN DILLON: Any other questions? Okay, thank you.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE CHAPTER 1993-25, APPROVED JULY 30, 1993, BY TRANSFERRING VARIOUS SUMS OF MONEY WITHIN VARIOUS DEPARTMENTS, AS AMENDED.

AN ORDINANCE IN AMENDMENT OF CHAPTER 1993-23, AS APPROVED JULY 30, 1993, ENTITLED: "AN ORDINANCE ESTABLISHING A COMPENSATION PLAN FOR THE CITY OF PROVIDENCE AND REPEALING ORDINANCE CHAPTER 1992-31 APPROVED AUGUST 7, 1992, AS AMENDED" RELATIVE TO DATA PROCESSING, AS AMENDED.

AN ORDINANCE IN AMENDMENT OF CHAPTER 1993-24, AS APPROVED JULY 30, 1993, ENTITLED: "AN ORDINANCE ESTABLISHING THE CLASSES OF POSITIONS, THE MAXIMUM NUMBER OF EMPLOYEES AND THE NUMBER OF EMPLOYEES IN CERTAIN CLASSES IN THE CITY DEPARTMENTS AND REPEALING ORDINANCE CHAPTER 1992-32, APPROVED AUGUST 7, 1992, AS AMENDED" RELATIVE TO DATA PROCESSING, AS AMENDED.

MS. VITULLO: Due to the growing data processing needs, I think that we need an Assistant in Data Processing to handle all of our PC work, everything not associated with the Prime Computer. Now we have a PC Network going in this office here, the Clerk's Office, Controller's is looking at purchasing one, the Executive Office has one, the Law Department installed one and there is no one to oversee their maintenance or the day to day operations. City/State Computer, it is not in their contract to handle that. I don't want to put it in their contract. I feel that if we put our own person in there, we would have complete control and it won't take away from our accounts payable or accounts receivable, anything to do with the Prime.

CHAIRMAN DILLON: And you do most of the Prime work, is that it? You have been doing all this work because.....

MS. VITULLO: Right. That and City/State have been doing it and a lot of the departments, the Clerk's Office is a good example, how long have they been sitting out there and they are not yet connected, not yet installed. No one has been trained yet.

COUNCILMAN FENTON: I have to tell you, all I hear from the Council Office is they can't get information from what is going on right now. Every time they make a request they get a run around. They have to call you 20,000 times to get information, that they are not getting access to the same information that other offices in this building, including the Mayor's Office, that they don't have complete access to information and, you know, we were promised a whole

November 8, 1993

host. Do we have to dig out those minutes again as to what the promises were and I think it is absolutely ridiculous and I am opposed to going forward with any more of this until the Council Office gets the same treatment that other offices get and get the same level of service because I don't think it is fair, I don't think it is right.

MS. VITULLO: What are you talking about? What aren't they receiving?

COUNCILMAN FENTON: They are not receiving information at their request. They are not getting returned phone calls from you. Rita constantly says every time she asks for information she gets run around.

MS. VITULLO: I have been in Rita's office every day this week and she is all set with her PC. She is trained. She is using it. She has been working with Joe Torre from City/State Computer. Last week we couldn't get her. She was too busy to sit down with her to train her. I have been calling her everyday for two weeks.

CHAIRMAN DILLON: She did seem happy when I was in there the other day.

MS. VITULLO: I have stopped in periodically. Stephen, you have seen me there.

CHAIRMAN DILLON: I know the guy was there the other day and she seemed happy.

MR. WOERNER: There is one basic issue. It is the whole issue of how you can train, say one person or two people or three people, you know, and Rita and I were talking about it today. You need certain seminars. All of us can get to the threshold level where we can use the computers and do whether better than nothing but to go to the next step up, you know, if it were even seminars in the Council Chambers or something where it can be question and answer sessions or people go to CCRI and take advanced courses. I don't know what the answer is.

COUNCILMAN FENTON: But we are not even getting access to the same data bases as other office.

MS. VITULLO: Such as....

MR. WOERNER: Land tracks is the only one that we are not.

MS. VITULLO: All you have to do is make a request. No one has sent anything to me saying I need labels for this or I need this done or I need reports.

CHAIRMAN DILLON: Are you talking about that request thing, the citizens request?

COUNCILMAN FENTON: She told me that there has been a number of occasions within the past month, numerous times, where she has made a request on behalf of the Council, I think she mentioned it to you too, or she said she was going to.

COUNCILMAN GLAVIN: There was a problem a while back. I know recently she just got some microword or something?

MS. VITULLO: Microsoft Word, yes.

COUNCILMAN GLAVIN: And she seemed very pleased with that.

November 8, 1993

MS. VITULLO: She did make a request. She wanted to down load the voter file which is 80,000, I don't know off the top of my head, 80,000 records and put it into a small data base and manipulate it by herself and I said that was fine, send me something what you want to use it for but the new data would have to be down loaded once a week and you would need someone to help you do that, it is going to take a lot of time. If you need something, we can give you access on the prime, exactly what you are looking for and I worked that out with Rita and she still hasn't sent something to me.

COUNCILMAN GLAVIN: My only concern is that two years ago, we didn't need any computer people. We let two very extremely experienced people go and like within 6 months later, we needed a Data Processing Coordinator and now we need an assistant, I mean, I just want to know which road we are traveling here. If there is a need, if the need exists now and it didn't exist like a year, year and half ago?

MS. VITULLO: We have increased like 70, 75% of our data processing. We have brought new departments on line. We have installed net works. The Clerk's Office just came into play two or three months ago. Law Department was only a few months ago. These are brand new systems. They weren't even a thought two years ago.

COUNCILMAN GLAVIN: The Clerk's Office is a different story. We have been asking for that for years. This goes back to before July, before the budget considerations and it is still not up.

MS. VITULLO: That is why we need someone in there. You can't keep calling on City/State Computer to do this. They are busy with the Prime and implementing the Northern Star Project.

COUNCILMAN FENTON: I would like to continue this and at least check with Rita to see that we are getting the proper response that we are requesting, for information that we are requesting.

COUNCILMAN GLAVIN: The other question is, I may not have heard the answer, Lisa, so I apologize but David was asking, what is your primary function?

MS. VITULLO: I am the intermediate between the Department Directors and the Administration with City/State Computer.

COUNCILMAN GLAVIN: But you are the Data Processing Coordinator?

MS. VITULLO: Right. I can't sit down and train someone how to use the network or someone to do a back-up.

COUNCILMAN GLAVIN: You have the ability to do that though, don't you?

MS. VITULLO: Yes. I did go to school for that.

CHAIRMAN DILLON: I know at the hospital, we have three or four people. Now, more people in the hospital use computers than in the city and that is just the nature of the

November 8, 1993

business but we have three or four people that that is basically all they do is train people and we should have seminars if everyone is going to be on Microsoft Word. I know we have people come in and give seminars at CCRI and you can go.

MS. VITULLO: Either that or one person can sit with them at their convenience.

CHAIRMAN DILLON: It is very tedious but after you have made that investment, you are a lot more productive. I would imagine that with the City Clerk's Office.

COUNCILMAN GLAVIN: The other question I have, do you need someone on an on-going basis so is this something that you can attach to the contract on an as needed basis?

MS. VITULLO: No, this is something on an on-going basis.

MR. WOERNER: The need is not going to go away. There is just more and more departments.

MS. VITULLO: It is going to grow and grow. I think we should have done this more than a few months ago.

COUNCILWOMAN NOLAN: I know when I was going through my data processing training, I went out of the office to a facilitator ----- and so I really hope that that is the direction that we are heading in because it may seem up front a large cost but I think it makes all the difference in the world and then save our own personnel for just that follow up, you know, when they get back from their training to implement the system. My first question is, did you ever get code hooked up so that they can talk to the Housing Court, various departments?

MS. VITULLO: Yes, we have been working with the Housing Court and with Merlin DeConti. They are scheduled to go on line in January and that schedule has been in place since that meeting in May or June of this year. We have been meeting with them and we are on schedule.

COUNCILWOMAN NOLAN: We were off schedule and now we are on schedule..

MS. VITULLO: No, we weren't off schedule.

COUNCILWOMAN NOLAN: Yes we were. ---- besides the fact with the Water Supply Board.

MS. VITULLO: That's right, excuse me.

MS. MORETTI: Pat's comment that the training ought to take place in groups and probably off site is very well taken because I find that on a day to day basis, what happens is as you hit a snag, you call someone and it just an instinctive. You get so far and you can't complete the project so the person who would be in this type of position would be the person who would answer that but the real basic training on how to use it, what you are looking for, how to look up things yourself, how to use directories, whatever, really, I think the time and the money spent would be well worth it. The other thing is, I find that as you get more and more PC's, you find a way of utilizing it. I know in our area, we are looking to Lisa to have some kind of ---- network

November 8, 1993

for the worker's comp. people because you have a variety of people involved in that area and everybody gets information and what we are doing is simply passing paper back and forth. It would be much more productive and more easier to just simply go in and have all of that on a system and be able to, everyone who is working on a case, to have it immediately available to them, with going to court or dealing with a physician.

COUNCILWOMAN NOLAN: I'll tell you, training is my business and the most effective training that I do is when I bring the people in-house and train them in-house, into my headquarters. I also go out into the field and train and sometimes that is effective but when you are interrupted 84 times a day, like I can imagine the City Council with the phones. How much do you really take in.


COUNCILMAN GLAVIN: The Clerk's Office, most of the office in City Hall are quite busy.


MS. MORETTI: I agree with that.

MR. NOCERA: That goes the same with the training. If you have Lisa try to do the training and then something goes off-line then she has to then leave the training. That is why this position is good. To have someone who can dedicate themselves to do the kind of training. There is so much that we can do with computers that maybe we have the computers --- not able to do and then have another person in there to do the training, to be available.

On motion of Councilman Fenton, seconded by Councilman Glavin, it is voted to Continue the foregoing Ordinances.

ADJOURNMENT: On motion of Councilman Fenton, seconded by Councilman Glavin, it is voted to adjourn the meeting at 6:15 o'clock P.M.


CLERK


Assistant Clerk