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## Memorandum

To: Livingston County Board of Commissioners  
Fr: David Feldpausch, EMS Director  
Date: 12/22/2020  
Re: Resolution authorizing an additional charge on collection accounts

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We are very excited to begin working without newly approved collection agency (Merchants & Medical) that you approved last month. In conversation during our kick off process they had mentioned that we can legally add an additional charge to all accounts that get sent to them for collections. It does come with some requirements on our end to ensure that all of our clients are aware of the additional charge.

Merchants & Medical provided us with the draft language and we have applied it to our patient signature section, all of our billing letters & statements, and will get it added to our website very soon. With all of these notices in place we can begin to add an additional charge to accounts when they are sent to collections which will reduce our cost for the collection services when a recovery is made.

Our current agreement has the collection agency fee set a 25% and that is the amount that I would like to apply to accounts before sending them to collections. This fee will not make us whole as the collection agency fee will be applied to the entire balance that we send including the additional 25% so we will still lose a small amount on each recovery and if an account proceeds to legal our fee increases to 50% and we are not allowed to increase our fee after it has been sent to collections.

Approving this additional charge will go a long way in reducing our costs in the collection process and passes those fees along to the patient who did not respond to our invoicing process prior to being sent to collections.

If you have any questions or concerns, please do not hesitate to reach out to me any time. 517/294-1853 or [dfeldpausch@livgov.com](mailto:dfeldpausch@livgov.com).