



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

333 West Ocean Blvd • Long Beach, California 90802

May 8, 2007

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to execute a Business Associate Agreement with OSI Collection Services, Inc., to provide collection services pursuant to the Collection Agency Services Contract approved by the City Council on October 17, 2006. (Citywide)

DISCUSSION

On October 17, 2006, the City Council authorized the City Manager to enter into an agreement with OSI Collection Services, Inc., to provide collection services on delinquent accounts receivable, damage claims and judgments against former customers and debtors that remain unpaid despite extensive actions taken by internal collection efforts.

OSI Collection Services, Inc., provides health-related collection services on behalf of the City. The Business Associate Agreement will bind the City and OSI Collection Services, Inc., to comply with the following laws and any applicable rules and regulations promulgated thereunder: The Health Insurance Portability Accountability Act of 1996, as amended; Electronic Transaction, Security and Privacy Standards promulgated by the Department of Health and Human Services; the Fair Debt Collection Practices Act; the Social Security Act; applicable Medicare and Medicaid rules and regulations; and any other applicable state, federal and local laws and regulations. Without this agreement the vendor will be prohibited from pursuing health-related collection activities.

This matter was reviewed by Deputy City Attorney Lori Conway and Budget and Performance Management Bureau Manager David Wodynski on April 24, 2007.

TIMING CONSIDERATIONS

City Council action to authorize the proposed agreement is requested on May 8, 2007 to ensure the best possible collection efforts are pursued.

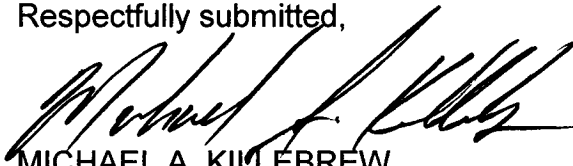
FISCAL IMPACT

Absent this agreement, approximately \$75,000 of the net annual revenue expected from the 2006 contract will not be realized.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL A. KILLEBREW
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:

Christine J. Shippy

for GERALD R. MILLER
CITY MANAGER