

# Dayton Daily News

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## City ends contract with accident response biller

Company charged drivers twice what was allowed.

By [Josh Sweigart](#), Staff Writer

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SPRINGFIELD — The city will cease billing for fire department response to the scene of motor vehicle accidents after a Dayton Daily News investigation found the billing company charged drivers and insurance companies up to twice what was permitted in its contract.

Springfield City Council voted Tuesday to end its contract with Springfield-based Cost Recovery Corp., which has done its accident response billing since 2003.

The company billed drivers responsible for accidents or their insurance companies for the cost of responding to noninjury accidents. The city's ordinance limits the company's cut at 12 percent.

But the Daily News found five bills — four sent to city residents' insurance companies — that exceeded this with markups of up to 24 percent.

Fire Chief Nick Heimlich investigated the newspaper's findings and said this week that the company on July 1 began tacking on a \$75 fee to every bill. This amounts to dozens of bills sent out, though Heimlich said only six have been paid.

The city never noticed because the company handles the money and the city only sees its cut.

Heimlich said company officials told him they had verbal approval from the former chief, but "I verified that was most likely not the case," he said.

Heimlich said former chief Mike Beers told him he talked with the company about this, but never gave them approval.

"Regardless of whether it was intentional, justified or non-justified ... it's clearly not part of our normal process nor approved by our legal department, nor the city commission," Heimlich said.

Heimlich said the city is trying to figure out what to do with the overpayments already collected. "That will be reimbursed or addressed in some fashion," he said.

The ordinance ending the contract said it was ended because the city resources being put into it were not worth the amount of money coming in.

"It doesn't seem to make sense anymore," said City Commissioner Karen Duncan.

The Daily News reported last month that cities such as Springfield adopted the controversial practice of billing for accident response in recent years to address revenue shortfalls. But insurance companies have increasingly refused to pay.

In Springfield, the company billed \$201,648 for 291 calls in 2010, and received \$18,574 from insurance companies and \$1,472 from drivers. City officials say drivers are only billed directly if they are not residents and don't provide proof of insurance.

A \$772 bill obtained by the Daily News for an Aug. 21 accident, for example, included \$587 for the response of an engine company and \$36 for three emergency medical technicians.

The bill — sent to a city resident's insurance company — also lists \$149 for "Fire Station Prep/Administration." City officials say this is Cost Recovery Corp's cut. This is a 24 percent markup, the Daily News found.

Springfield is the largest of several local communities the Daily News found that conducts such billing. Others include the cities of Fairborn, Franklin and Vandalia as well as Butler, Miami and Sugarcreek townships.

Most only bill residents' insurance companies and bill nonresidents personally if their insurance company refuses to pay.

Cost Recovery Corp. President Regina Moore-Jones could not be reached for comment Tuesday.

Contact this reporter at (937) 328-0374 or [Josh.Sweigart@coxinc.com](mailto:Josh.Sweigart@coxinc.com)

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