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Title: Hearing to consider adoption of Resolutions 241-2008 and 242-2008 establishing the ambulance rate schedule for County Service Areas 3 and 7 to provide advanced life support ambulance services within the legal boundaries of said County Service Areas, noting Resolution 241-2008 for CSA No. 3 supersedes Resolution 315-2007 and Resolution 242-2008 for CSA No. 7 supersedes Resolution 316-2007.

FUNDING: Fee for service.

Sponsors:

Indexes:

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Attachments: 1. 2008 Ambulance Rate Schedule_Proposed.pdf, 2. Comparative Analysis of Ambulance Rate Schedules.pdf, 3. Ambulance Rate Review Resolution_CSA3_08.pdf, 4. Ambulance Rate Review Resolution_CSA7_08.pdf, 5. Memorandum from B. Signor att'd 8-21-08.pdf, 6. Ca. Tahoe Emergency Serv. Operations Auth. att'd 8-21-08.pdf

Date	Ver.	Action By	Action	Result
8/26/2008	1	Board Of Supervisors	Approved	Pass

Hearing to consider adoption of Resolutions **241-2008** and **242-2008** establishing the ambulance rate schedule for County Service Areas 3 and 7 to provide advanced life support ambulance services within the legal boundaries of said County Service Areas, noting Resolution 241-2008 for CSA No. 3 supersedes Resolution 315-2007 and Resolution 242-2008 for CSA No. 7 supersedes Resolution 316-2007.

FUNDING: Fee for service.

Fiscal Impact/Change to Net County Cost: Adoption and implementation of these proposed rates will generate additional revenues. There is no net County cost and no impact on the General Fund.

Background: The County of El Dorado has provided ambulance services since the early 1980s. A full cost of service analysis for county ambulance services was performed in 2004. In October 2004, with the concurrence of both JPA, the Board approved a new rate schedule effective November 8, 2004. Subsequent rate adjustments were approved by the Board of Supervisors effective July 1, 2006 and August 21, 2007, respectively.

At the meeting April 1, 2008, the Board of Supervisors directed the Public Health Department to review and bring back recommendations for an annual adjustment to the County's ambulance rate schedule. The Board concurred with the Public Health Director's recommendation to include in the review the annual change in consumer price index for medical care (i.e., *Medical CPI*) and ambulance transportation rates for the surrounding region in the analysis. After careful consideration, Public Health identified four comparative methodologies for establishing ambulance

rates:

1. Full cost of service model - Determine rates based on a complete analysis of ambulance service costs (estimated to cost \$30K).
2. Medical CPI only - Adjust rates based on published Department of Labor data for change in Medical CPI (U.S. City average) increase. The 12-month change in Medical CPI for the period April 2007-April 2008 was 4.3%.
3. Medical CPI plus regional rate comparison - Consider both Medical CPI and regional average ambulance rates to determine proposed new rates. In the past year or two most other ambulance services have been raising rates to account for increases in salaries and benefits plus the cost of fuel, in addition to the Medical CPI. Comparison of regional ambulance rates demonstrated a lack of standardization and rate calculations. However, four units of service were found to be most common within the regional area:

Description	El Dorado Rate	Regional Mean Rate	Difference
ALS-1	\$797	\$1,114	39.8%
ALS-2	\$1,155	\$1,205	4.3%
Critical Care	\$1,365	\$1,733	27.0%
Mileage	\$16 / mile	\$25 / mile	56.3%
Oxygen	\$53	\$97	83.0%

4. Partially subsidized rate structure - Consider revenue from EMS-specific funding generated in El Dorado County to adjust rates lower than regional mean. Unlike many counties, El Dorado has revenue sources specific for EMS in addition to ambulance fees that effectively "subsidize" ambulance services. These sources include: a general property tax plus a special tax for CSA 7; a benefit assessment for CSA 3 (South Shore); and a special tax for CSA 3 (Tahoe West Shore). Currently the combined revenue from these sources contributes approximately 33% of total revenue received for CSA 3 and 45% of the total revenue received for CSA 7.

Public Health Department is now presenting for the Board's consideration the above-noted resolutions for Ambulance Rate Schedule adjustments based on a partially subsidized rate structure set at 90% of the regional mean, with the concurrence of West Slope and Cal Tahoe JPAs. These proposed rates acknowledge that local funding is provided to support ambulance services yet keeps the rates at a competitive level. A comparison of the current ambulance rate schedule for FY 2007-08 and the proposed ambulance rate schedule for FY 2008-09 is attached for the Board's consideration.

Reason for Recommendation: Approval and authorization of aforementioned resolutions will 1) adopt the proposed ambulance rate schedule for FY 2008-09, and 2) authorize Public Health to propose future annual ambulance rate schedule adjustments as needed, based on 90% of the regional mean, acknowledging the additional revenue sources unique to El Dorado County.

Public notices of a hearing at this meeting, and prior to the Board's consideration of this matter, were placed in the Mountain Democrat and Tahoe Tribune as current statute requires.

Action to be taken following Board approval:

- Chairman to sign two (2) originals of each Resolution;

- Board Clerk to return one (1) original Resolution to the Department;
- Department to notify ambulance billing contractor that rates are to be changed effective September 1, 2008; and
- Department to institute new rate schedule, effective September 1, 2008.

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