



Legislation Text

File #: 24-0879, **Version:** 1

Emergency Medical Services (EMS) Preparedness & Response, a Division of the Chief Administrative Office, recommending the Board approve and authorize the Chair to sign a budget transfer increasing estimated revenues and appropriations by \$355,000 in County Service Areas 3 & 7 operating funds, the ambulance billing suspense fund, and the EMS Administration fund. (4/5 vote required)

FUNDING: Ambulance service fees.

DISCUSSION / BACKGROUND

The EMS Division oversees the County's Emergency Medical System and provides for the provision of ambulance services under contract with three public agency ambulance operators. The Division's chart of accounts includes General Fund accounts, where Division staff costs are recorded along with all system-wide expenditures. Additionally, the Division includes funds within two County Service Areas (CSAs): CSA 3 provides EMS ambulance services within the Tahoe Basin region, while CSA 7 provides services to the West Slope region. Ambulance revenues and EMS taxes are deposited into their associated CSA funds. At the end of each fiscal year, the CSAs reimburse the General Fund to cover the EMS costs incurred in the General Fund portion of EMS. The CSAs bear a portion of the General Fund costs proportional to the revenues each CSA receives.

Staff are recommending that the Board approve a budget transfer amending the Fiscal Year 2023-24 Budget for the EMS Division. During the current fiscal year, the Division has experienced an increase in ambulance fee revenues as compared to the estimated revenues included in the Division budget.

The County contracts with an outside company to process ambulance service fee revenues, and the County pays the contractor a percentage-based commission on all revenues they collect. Due to the increase in revenues, the Division is also projecting that payments to the contractor will exceed budget. The recommended budget transfer increases appropriations for services and supplies within both CSA 3 and CSA 7 for payment of commissions to the billing contractor: \$75,000 in CSA 3 and \$100,000 in CSA 7.

The increase in revenue is attributable to a variety of factors. In CSA 3 (Tahoe Basin), the full impact of fee increases is now being realized. For both CSAs, the new Public Provider Ground Emergency Medical Transport Intergovernmental Transfer program has taken effect, resulting in an add-on payment for Medi-Cal payments (see Legistar item 23-1721, 9/26/23). Finally, the Division has reviewed the ambulance revenue cycle practices and procedures and made significant investments in improving the quality of data provided to the billing contractor and has increased oversight efforts in relation to the billing. These investments in Division personnel were accomplished by reassigning existing staff to the ambulance billing function from other programs with other funding sources. As a result, the EMS function has recorded more personnel costs than budgeted, requiring additional reimbursement from the CSAs. The recommended budget transfer increases appropriations for transfers from the CSAs to the General Fund: \$125,000 from CSA 3 and \$25,000 from CSA 7.

Finally, the recommended transfer increases appropriations for transfer of funds from the ambulance revenue suspense account to the General Fund. Funds are held in the suspense account when payments are received by ACH/wire transfer, but documentation identifying the correct patient and CSA information has not yet been identified. Interest is earned on the funds in the account and can be applied toward EMS expenses.

ALTERNATIVES

Without a budget amendment, the County will not be able to pay contractual payments to the billing contractor, or to reimburse the General Fund for all expenditures incurred in the EMS function. No alternative is recommended.

PRIOR BOARD ACTION

See above.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

Approve as recommended.

FINANCIAL IMPACT

The increase in revenues compared to the current year budget more than funds the associated increase in appropriations within the CSAs. The CSA 3 ambulance fee revenues are projected to exceed budget by \$900,000, of which \$200,000 will be utilized for the items contemplated in this budget amendment. The CSA 7 revenues are projected to exceed budget by \$1,250,000, of which 125,000 will be utilized by this budget amendment.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain signature of Chair on budget transfer and forward to the Chief Administrative Office for processing.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

Sue Hennike, Assistant Chief Administrative Officer.