



Legislation Text

File #: 10-0415, **Version:** 2

HEARING: Health and Human Services, Public Health Division recommending the Board consider the following:

- 1) Adopt and authorize the Chair to sign Resolution **186-2015** revising the ambulance rate schedule for County Services Area No. 3, increasing the ambulance billing fees by 28.11% from \$1,114 to \$1,427, as well as allowing for annual adjustment of ambulance rates based on an average of the changes in the US Medical Care Services and the San Francisco-Oakland All Items indices of the Federal Bureau of Labor Statistics Consumer Price Index; and
- 2) Adopt and authorize the Chair to sign Resolution **187-2015** revising the ambulance rate schedule for County Services Area No. 7, increasing the ambulance billing fees by 28.11% from \$1,114 to \$1,427, as well as allowing for annual adjustment of ambulance rates based on an average of the changes in the US Medical Care Services and the San Francisco-Oakland All Items indices of the Federal Bureau of Labor Statistics Consumer Price Index. (Est. Time: 1 Hr.)

FUNDING: Fee for Service.

DEPARTMENT RECOMMENDATION:

Health and Human Services Agency (HHSA), Public Health Division recommending the Board adopt two Resolutions revising the ambulance rate schedule for County Service Areas No. 3 and No. 7, increasing ambulance billing fees by 28.11% from \$1,114 to \$1,427, as well as allowing for an annual adjustment of ambulance rates based on an average of the changes in the US Medical Care Services and the San Francisco-Oakland All Items indices of the Federal Bureau of Labor Statistics Consumer Price Index.

DISCUSSION / BACKGROUND:

As the provider of ambulance services, El Dorado County operates under the Public Utility Model, through which the County provides exclusive and non-exclusive prehospital Advanced Life Support (ALS) ambulance services. The provision of ambulance services for El Dorado County Service Area (CSA) 3 and 7 is vested with the County through its Local Emergency Medical Services Agency established in accordance with Health and Safety Code Division 2.5, Section 1797.200 et seq. The County is the sole provider of 911 emergency medical services as set forth in the County's ambulance ordinance.

Transport and dispatch operational services for CSA 3 are contracted to the Cal Tahoe Emergency Services Operations Authority (a Joint Powers Authority comprised of the City of South Lake Tahoe Fire Department and Lake Valley Fire Protection District) herein referred to as Cal Tahoe JPA. Cal Tahoe JPA has been under contract to provide transport operational services since 2001, and their current contract expires August 31, 2019, with possible extensions through August 31, 2021.

Transport and dispatch operational services for the area of Meek's Bay in CSA 3 are contracted to the North Tahoe Fire Protection District. North Tahoe has a current contract that expires August 31, 2016.

Transport and dispatch operational services for CSA 7 are contracted to the El Dorado County Emergency Services Authority (a Joint Powers Authority comprised of five transporting and four non-transporting service agencies) herein referred to as the West Slope JPA. The West Slope JPA has been the contractor of operational services since January 1, 1997, and its current contract expires June 30, 2018.

Ambulance Billing Fees

The Ambulance Rate Schedule was last reviewed and updated in 2010. Since then, changes in healthcare reimbursement, payer mix demographics, costs and regulations have created conditions requiring a review and adjustment of fees. As a result, HHSA requested the Polaris Group, a national Emergency Medical Services and Public Safety Consultant, review the County's current ambulance billing rates.

The Polaris Group identified that since 2010, the following changes have impacted the ambulance collections in El Dorado County:

- Transport volume has increased by 9%, gross charges have increased by 12%, while total collections has decreased by 4%
- Percentage of patients with private insurance has decreased by 21% while patients with Medi-Cal/Medicare increased by 32%
- Medi-Cal/Medicare transports have increased from 62.5% to over 70%
- Medi-Cal implemented a system reimbursement reduction of 10%

Taking the above points as well as inflation into consideration, the ambulance revenues should have increased by approximately 14% since 2010. In order to achieve an additional 14% in revenue, the Polaris Group is recommending rates be increased by 28.11%, from \$1,114 to \$1,427, which could potentially generate between \$1.1 and \$1.3 million in revenue.

A 2014 Ambulance Rate Survey of 59 rate schedules charged by California LEMSA's (Local Emergency Medical Services Agency) demonstrated that the median rate for Advanced Life Support service was \$1,623.

Based on the review conducted by the Polaris Group, a copy of which is attached, HHSA concurs with their recommendation to raise rates for ambulance services by approximately 28.11%, as well as calculate annual increases based upon the CPI to keep pace with official inflation.

ALTERNATIVES:

The Board could decline to adopt the two Resolutions in which case the ambulance rates would remain unchanged at the current 2010 rate structure.

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

County Counsel

CAO RECOMMENDATION:

It is recommended that the Board approve this item if it feels that ambulance rates need to be updated.

FINANCIAL IMPACT:

There is no Net County Cost associated with this Agenda item.

CLERK OF THE BOARD FOLLOW UP ACTIONS

1. Clerk of the Board to obtain signature of Chair on two (2) original Resolutions.
2. Clerk of the Board to return one (1) fully executed copy of each Resolution to HHSA at 3057 Briw Road.

STRATEGIC PLAN COMPONENT:

Health and Human Services Agency Strategic Plan Project 2.2.9 “Update Ambulance Billing rates for services provided by a Medical Response Unit.”

CONTACT

Don Ashton, M.P.A., Director