ITEM NO. 30

STAFF REPORT

CITY OF OCEANSIDE

DATE: April 4, 2012

TO: Honorable Mayor and City Council Members

FROM: Fire Department
Information Technologies Division

SUBJECT: **ADOPTION OF A RESOLUTION APPROVING THE FEE SCHEDULE TO BE CHARGED FOR EMERGENCY MEDICAL SERVICES AND ESTABLISHING AN AUTOMATIC ANNUAL INCREASE**

SYNOPSIS

Staff recommends that the City Council adopt a resolution approving the fee schedule to be charged for emergency medical services; and establishing an automatic annual increase for ambulance service rates based on the published Annual Consumer Price Index-Urban for San Diego County.

BACKGROUND

In 2008 City Council directed staff to compile a comprehensive list of fees to address fee increases at one time as part of the budget process. A staff report was prepared in April of 2009 and presented to the City Council for adoption. The City Council adopted new rates and rate structures for several City services, including ambulance services, to ensure maximum program cost-recovery.

ANALYSIS

The fees established by the City Council are designed to recover costs for providing services. All of the fees discussed in this agenda item have been reviewed for several different types of costs such as personnel, vehicles, overhead, and equipment. Costs are typically set during the budget process. The intent is to ensure the fees cover the cost of the services provided and the related activities in collection of those fees, with the goal of achieving complete cost-recovery for services provided.

Due to statutory write-offs required by participation in the Medicare and Medi-Cal programs and due to a large number of uninsured patients, full cost-recovery for ambulance services is not possible without significantly increasing rates over what is proposed in this staff report. Commercial insurance carriers and some of the self-pay patients would be the only parties paying the increased fees. The City of Oceanside, along with other ambulance service providers in San Diego County, already charge more than the Medicare and Medi-Cal programs will reimburse. Due to the statutory

write-offs associated with Medicare and Medi-Cal, while reimbursement increases as fees increase, the City's gross collection rate actually decreases with every ambulance fee increase.

As part of the 2009 ambulance fee increases, staff tied future rate increases for ambulance service to the Ambulance Inflation Factor (AIF), which is published annually by the Centers for Medicare and Medicaid Services (CMS). Tying future rate increases to this index was intended to automatically increase rates based on moderate annual increases as costs for services increase. However, the addition of an artificial productivity factor to the AIF in 2011 as part of the Health Care Reform legislation has caused the AIF to become unrepresentative of the actual cost increases each year. Therefore, staff is recommending the AIF be replaced with the more locally focused Consumer Price Index-Urban (CPI-U) published by the Bureau of Labor Statistics to cover the San Diego region (CPI-Urban, San Diego).

Research was undertaken to compare current rate structures with other city government agencies which provide similar services. Several agencies were contacted to obtain information about the services and costs of services provided. Based on the research data collected, staff discovered the majority of the surrounding local government agencies charge more for Basic Life Support (BLS) and Advanced Life Support Services (ALS), when compared to the City of Oceanside.

Several San Diego agencies' costs for services were reviewed, however, staff focused on the five North County agencies when comparing the rates for the two most prevalent provided services: Basic Life Support (BLS) and Advanced Life Support Level 1(ALS). The following table lists the current fees charged by the Cities in North San Diego County that provide ambulance service, as well as the current and proposed fees charged by the City of Oceanside.

Basic Life Support Resident (BLS)		Unit Cost
1. City of Oceanside, CA	Current Fee	$ 600.00
2. City of San Marcos, CA		$ 716.00
3. City of Oceanside	***Proposed Fee***	$ 840.00
4. City of Escondido, CA		$ 887.00
5. City of Carlsbad, CA		$ 900.00
6. City of Vista, CA		$1,100.00

Basic Life Support Non-Resident (BLS)		Unit Cost
1. City of San Marcos, CA		$ 716.00
2. City of Oceanside, CA	Current Fee	$ 950.00
3. City of Carlsbad, CA		$1,000.00
4. City of Escondido, CA		$1,017.00
5. City of Vista, CA		$1,100.00
6. City of Oceanside	***Proposed Fee***	$1,290.00

Advanced Life Support Level 1 Resident (ALS)		Unit Cost
1. City of Oceanside, CA	Current Fee	$ 725.00
2. City of Carlsbad, CA		$ 900.00
3. City of San Marcos, CA		$ 982.00
4. City of Oceanside, CA	***Proposed Fee***	$1,010.00
5. City of Escondido, CA		$1,019.00
6. City of Vista, CA		$1,100.00

Advanced Life Support Level 1 Non-Resident (ALS)		Unit Cost
1. City of San Marcos, CA		$ 982.00
2. City of Carlsbad, CA		$1,000.00
3. City of Oceanside, CA	Current Fee	$1,050.00
4. City of Escondido, CA		$1,170.00
5. City of Vista, CA		$1,250.00
6. City of Oceanside, CA	***Proposed Fee***	$1,600.00

Since the last fee increase in 2009, there have been increases in both vehicle and personnel costs. Currently, every ambulance is staffed with two paramedic firefighters, which has increased service as well as costs. Additionally vehicle costs, including fuel, have risen significantly, further elevating costs. Based on these factors, staff recommends increasing basic life support (BLS), advanced life support (ALS) services, supplies and mileage fees. These rate increases would bring increased reimbursement to the City of Oceanside, but would not increase our fees beyond our costs or raise the rates for residents beyond those charged by our neighboring jurisdictions.

City Cost to Provide Service

The City has estimated the cost to provide ambulance services as detailed below:

Firefighter/Paramedic	24 @ $125,791	=	$3,018,984
Training Officer (35%)		=	48,810
Fleet Costs		=	424,000
			$3,491,794

Ambulance Revenue

Ambulance Billing payments for FY 10-11	=	$2,486,814
Difference (costs exceed revenue)	=	$1,004,980

Recommended Increases:

Description	Current	Proposed July 1, 2012
Assessments		
911 Assessment (DOS-144), resident	$600.00	$600.00
911 Assessment (DOS-144), non-resident	$950.00	$950.00
911 Assessment, resident	$100.00	$100.00
911 Assessment, non-resident	$150.00	$150.00
Advance Life Support (ALS)		
Base fee, level 1, resident	$725.00	$1,010.00
Base fee, level 1, non-resident	$1,050.00	$1,460.00
Base fee, level 2, resident	$825.00	$1,150.00
Base fee, level 2, non-resident	$1,150.00	$1,600.00
Base Life Support (BLS)		
Base fee, resident	$600.00	$840.00
Base fee, non-resident	$950.00	$1,290.00
Supplies, medications, services		
Disposable supplies, level 1	$50.00	$50.00
Disposable supplies, level 2	$80.00	$80.00
Defibrillation/Cardioversion	$60.00	$60.00
ECG, medical	$20.00	$20.00
Oxygen	$50.00	$50.00
Intubation (ET/Stomal/King)	$40.00	$60.00
Mileage	$16.25	$25.00
Medications	Cost + 100%	Cost + 100%

FISCAL IMPACT

It is anticipated that the increased fees will result in an annual increase in reimbursement of between $330,000 and $350,000, to be deposited in Account 1101.4452.0001.

COMMISSION OR COMMITTEE REPORT

Information regarding increasing ambulance service fees will be provided to the Police and Fire Commission at their next scheduled quarterly meeting.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution approving the fee schedule to be charged for emergency medical services; and establishing an automatic annual increase for ambulance service rates based on the published Annual Consumer Price Index-Urban for San Diego County.

PREPARED BY:

Peter Lawrence
Fire Battalion Chief

Michael Sherwood
Chief Information Officer

SUBMITTED BY:

Peter A. Weiss
City Manager

REVIEWED BY:

Darryl Hebert, Fire Chief

Michelle-Skaggs Lawrence, Deputy City Manager

Teri Ferro, Financial Services Director

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE APPROVING THE FEE SCHEDULE TO BE CHARGED FOR EMERGENCY MEDICAL SERVICES

WHEREAS, Oceanside City Code Section 3A.15 authorizes the Fire Chief of the City of Oceanside to promulgate rules and regulations pertaining to the operation of the City's emergency medical services; and

WHEREAS, Oceanside City Code Section 3A.16 mandates that said rules and regulations shall include a fee schedule which the City Council may from time to time amend by approving the rules and regulations prepared by the Fire Chief; and

WHEREAS, the adoption of the fee schedule is required to permit the City to recover the costs of providing emergency medical services, including medications and other medical supplies, from the users thereof; and

WHEREAS, the fee schedule was last amended on April 1, 2009; and

WHEREAS, on April 4, 2012, the City Council held a duly noticed public hearing and heard and considered all testimony regarding the increased fee.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. Service Fee Schedule is hereby established as set forth herein:

The following service fee schedule shall apply when a City-owned or contract paramedic unit or ambulance provides transportation or other emergency service.

A. Transport Fee. When a patient who is a resident or a local business owner is transported, as determined by providing adequate proof of Oceanside residence or payment of business license fees to the City of Oceanside, or whenever an Oceanside ambulance is picking up a patient in an adjacent City or Fire District as part of an authorized "Boundary Drop" program, then the transport fee shall be the following:

Advanced Life Support (ALS) Unit – ALS Level 1	$1,010.00
Advanced Life Support (ALS) Unit – ALS Level 2	$1,150.00
Basic Life Support (BLS) Unit	$ 840.00

When a patient does not meet the criteria listed above and is transported, then the transport fee shall be the following:

Advanced Life Support (ALS) Unit – ALS Level 1	$1,460.00
Advanced Life Support (ALS) Unit – ALS Level 2	$1,600.00
Basic Life Support (BLS) Unit	$1,290.00

B. Itemized Costs. The following schedule of charges for supplies, medications and services shall apply to every person transported, unless such charges are prohibited by State or Federal regulation:

1) Medications and Services-

Oxygen	$50.00
Mileage	$25.00 per mile
IV and Medications	Cost + 100%
EKG Monitoring (Medi-Cal Patients Only, if patient receives service)	$20.00
Defibrillation/Cardioversion	$60.00
Intubation (ET/Stomal/King)	$60.00
Extra Paramedic/EMT	$30.00

The 100% markup in the cost of each individual medication accounts for the City's costs, in the aggregate, associated with the acquisition, storage, use, record-keeping and replacement of medications used by the Emergency Medical Services personnel.

2) Disposable Supplies-

a) Any use, either singly or in combination with any other, of the following supplies on a patient will incur a single charge of $50 for disposable supplies, unless one of the five actions listed in section 2.b are performed:

Cervical/Spinal Immobilization

ECG/EKG Monitoring

Glucose Monitor

Naso-gastric

Splinting/Bandaging/Tourniquet

Suctioning

b) Any use, either singly or in combination with any other, of the following supplies on a patient will incur a single charge of $80 for disposable supplies:

Airway Assistance /Adjuncts

Cardiac Pacing

Cardio-Pulmonary Resuscitation (CPR)

Continuous Positive Airway Pressure (CPAP)

Childbirth

C. Assessment Fees. When a resident of a local business owner is assessed to determine his or her medical condition, or treatment of same patient is performed without subsequent transport, as determined by providing proof of Oceanside residence or payment of business license fees to the City of Oceanside, or whenever an Oceanside Paramedic assesses a patient or provides treatment of same patient without transport in an adjacent City or Fire District as part of an authorized "Boundary Drop" program, then the assessment fee shall be the following:

Assessment, Advanced Life Support (ALS) or Basic Life Support (BLS) $100

When a person does not meet the criteria listed above and is assessed or treated, then the assessment fee shall be the following:

Assessment, Advanced Life Support (ALS) or Basic Life Support (BLS) $150

These charges do not apply to third party calls for assessment only.

SECTION 2. Annual Adjustment of Transport Fees and Mileage Charge. The Transport Fees identified in Section 1.A will be increased annually on July 1st in an amount equal to the CPI-Urban index for San Diego (CPI-U, San Diego) as published the preceeding January by the Bureau of Labor Statistics, and then rounded up to the nearest ten dollar increment. The loaded per-mile charge will be adjusted annually on July 1st based on the budgeted cost to purchase, maintain, and operate all ambulances, divided by the total loaded

miles from the previous year and then divided by the current collection rate.

SECTION 3. Resolution of Billing Problems. The Fire Chief or Finance Director is authorized to adjust emergency medical service charges billed to a patient in order to resolve any problems encountered between the City and the patient for the service. Records of any changes in the amount of payment owed will be maintained by the Fire Chief, Finance Director or appointed designee(s) and made available to the City Council at their request.

SECTION 4. Resolution 09-0231-1 is hereby superseded and canceled. All other provisions of the Fire Department rules and regulations shall remain in full force and effect.

SECTION 5. The fees listed in this resolution will become effective on July 1, 2012.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this____ day of _____, 2012, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

_____
CITY ATTORNEY