



Office of the City Manager

ACTION CALENDAR

November 27, 2007

To:  Honorable Mayor and Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Debra Pryor, Fire Chief, Berkeley Fire Department

Subject: Ambulance User Fee Increase

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution increasing the Ambulance User Fee to match the Alameda County's ambulance user fee schedule set and approved by the Alameda County Board of Supervisors effective October 1, 2007, included as an updated addendum to the Ambulance Provider Agreement.

FISCAL IMPACTS OF RECOMMENDATION

In FY 2007, the ambulance billing revenue collected was \$2.5 million. With the proposed new rates approved by the Alameda County Board of Supervisors, and based on an estimated 6,000 transports per year and 400 on-scene treatments without transport, annual ambulance billing revenue could increase by approximately \$400,000 or 14%. With a planned effective date of January 1, 2008, anticipated new revenue in FY 2008 is approximately \$200,000.

This fiscal year's operating budget for the Fire Department's Emergency Medical Services division is \$6.3 million. The projected amount to be collected in ambulance fees is \$2.7 million and will not exceed the cost of the EMS program. The program is funded from the General Fund and the revenue collected will be deposited into a General Fund revenue account.

Current cost of EMS program	Current revenue generated by existing fees	Proposed revenue for FY08 (effective January 2008)	Proposed revenue for FY09
\$6.3 million	\$2.5 million	\$2.7 million	\$2.9 million

In an effort to set a fee that is fair and equitable, and to facilitate contract auditing procedures, Alameda County Emergency Medical Services (EMS) and the transport providers agreed to a "bundled" fee schedule that increases the ambulance

transportation base rate (as well as mileage and oxygen fees), but eliminates the line-item charges for supplies and equipment (see Exhibit A – Table 1).

- ❑ The bundled rate will increase from \$930.40 to \$1,260.00.
- ❑ Basic Life Support (BLS) base rate of \$599.00 will be eliminated.
- ❑ Mileage charges will increase from \$20.00 to \$29.00 per mile.
- ❑ Oxygen cost will increase from \$59.51 to \$95.00 (see Exhibit A – Table 2).
- ❑ All line-item charges in Table 1 will be eliminated.
- ❑ A new fee called “Treat, Non-transport” of \$350.00 is added to allow providers to charge for services rendered to a patient who subsequently declines transportation. (This can happen when the paramedic in the field resolves the condition for which the patient called 911.) The current fee schedule does not allow the providers to charge anything to the patient for the services rendered.

The proposed bundled rate is a relatively new concept in California, but is becoming a trend nationally, according to Alameda County’s consultant, Fitch and Associates.

CURRENT SITUATION AND ITS EFFECTS

The last ambulance user fee increase was on July 1, 2004 (Resolution No. 62,534 – N.S.). The revenue generated from ambulance user fees was approximately \$2.5 million dollars last fiscal year.

Since 2006, when a reduced payment schedule for Medicare and Medical patients was fully implemented, Medicare no longer reimbursed ambulance providers for supplies or medications, and reduced the payment amount by reclassifying the procedures necessary to qualify a patient’s service. Until recently, Kaiser paid full rate for their Kaiser HMO Medicare members but is now paying at the lower Medicare rate. Medicare also implemented a reduced payment schedule this year. Most payers do not pay full rate. The majority of self-pay patients do not pay at all. Increasing rates will have the most impact on only the private sector insurance, including Kaiser commercial plans.

Berkeley payer’s mix is made of up 21% covered by Medicare, 15% covered by Medical, 25% covered by some kind of medical insurance, and 39% self-pay (those without private insurance).

Recognizing the impact to revenue, the Alameda County Board of Supervisor’s approved combining line item charges to better reflect actual services provided, as well supplies and medications used.

BACKGROUND

Alameda County EMS is responsible for the procurement of emergency ambulance services for the local EMS system. The Berkeley Fire Department has contracted with Alameda County as the emergency transport provider for Berkeley since 1977. Albany, Piedmont, Alameda City, and American Medical Response serve as ambulance

transport providers for other parts of Alameda County. All transport providers, including Berkeley, are in the Alameda County Emergency Medical Services District, and authorized by the Alameda County Board of Supervisors through individual service contracts. Since 1986, the Berkeley Fire Department has provided ambulance transport service at the Advanced Life Support (ALS) or paramedic level.

Alameda County is responsible for setting and approving any fees that are applicable to all contracted departments. The fee schedule for ambulance use charges has not been increased since July 2004.

On October 9, 2007, the Alameda County Board of Supervisor's approved an updated ambulance user fee schedule effective October 1, 2007 for all paramedic transport providers. The recently approved Alameda County Board of Supervisor's ambulance user fee increase has combined rates to reflect service provided rather than line item charges for service, supplies, or medications used. The rate schedule is submitted as an exhibit in all Alameda County ambulance provider agreements (Exhibit A of the Resolution). This fee increase will allow the City of Berkeley to recoup costs for services rendered.

RATIONALE FOR RECOMMENDATION

The Berkeley Fire Department is seeking Council approval to increase the ambulance user fees to match those established by the Alameda County Board of Supervisors effective October 1, 2007. Presently, these periodic rate increases is the only method available to recoup ambulance service costs as specified in the Alameda County Ambulance Provider Agreement.

Government Code Section 6062(a) dictates that a public hearing be conducted for fee increases.

ALTERNATIVE ACTIONS CONSIDERED

None. The only mechanism to adjust the fee schedule is through a countywide change to each agency's county contract.

CONTACT PERSON

Debra Pryor, Fire Chief, Fire, 981-5500

Attachments:

1: Resolution

Exhibit A:

Table 1: Current User Fee Schedule, Alameda County 911 System, Contractor's User Fees and Line Item Charges, Effective Date: July 1, 2004

Table 2: Proposed User Fee Schedule, Alameda County 911 System, Contractor's User Fees, Effective Date: October 1, 2007

2. Notice of Public Hearing, Berkeley City Council, Ambulance User Fee Increase

RESOLUTION NO. ##,###-N.S.

AMBULANCE USER FEE INCREASE

WHEREAS, the County of Alameda and the City of Berkeley have entered into an initial Ambulance Provider Agreement dated June 1, 1984, and the agreement has continued without interruption since that date; and

WHEREAS, the County of Alameda has established and approved a new Contractor User Fee schedule for ambulance transport providers effective October 1, 2007 (Exhibit A).

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the ambulance user fee schedule is adopted, in accordance with the rates established by the Alameda County Board of Supervisors, effective October 1, 2007.

Exhibits

A: Proposed User Fee Schedule, Alameda County 911 System, Contractor's User Fees,
Effective Date: October 1, 2007

Table 1: Current User Fee schedule (OLD FEES)

**ALAMEDA COUNTY 911 SYSTEM
CONTRACTOR'S USER FEES AND LINE ITEM CHARGES**

Effective Date July 1, 2004

ALS Base Emergency	\$930.40		
BLS Base Emergency	\$599.00		
Mileage/mile	\$20.00		
Oxygen	\$59.51		
<u>Line-Item Charges: *</u>		EPI 1:10,000 1 mg	\$17.61
12 Lead EKG	\$0.00	Extra Attendant	\$49.91
Activated Charcoal	\$35.00	Glucagon	\$95.00
Adenosine	\$78.82	Glucose	\$12.91
Airway - Nasal	\$6.98	Glucometer Test Supplies	\$1.60
Airway - Oral	\$6.98	Head Bed	\$18.00
Albuterol (with Nebulizer)	\$35.00	Intraosseous Needle	\$12.91
Amiodarone	\$35.00	Intubation Supplies	\$8.81
Aspirin	\$5.00	IV Catheter	\$9.55
Atropine	\$15.23	IV Start Kit	\$11.58
Atrovent	\$16.00	Lasix	\$17.61
Bag Valve Mask	\$45.76	Lidocaine 2%	\$18.11
Bandages - Triangular	\$5.84	Mask (pocket)	\$17.61
Bed Pan	\$2.88	Midazolam	\$16.00
Benadryl	\$11.74	Morphine	\$14.60
Blanket Disposable	\$14.09	Multi-drip IV Tubing	\$18.80
Blood Draw Tube / Needle	\$23.70	Narcan	\$17.61
Blood Set	\$18.80	Nebulizer	\$22.50
Burn Sheet	\$21.12	Nitroglycerin spray	\$21.63
Calcium Chloride	\$16.08	Normal Saline IV solution 1L	\$17.61
Cervical Collar	\$24.00	Normal Saline 1L Bottle	\$12.00
Cold / Hot Pack	\$11.74	OB Pack	\$59.41
Combitube (Adult &	\$82.00	P.T.V. Kit	\$32.85
CPAP Mask and Tube (includes generator)	\$95.00	Pleural Decompression Kit	\$32.85
D5W IV solution	\$17.61	Pulse Oximetry Sensor	\$35.00
Dextrose 25%	\$21.14	Sodium Bicarb	\$17.61
Dextrose 50%	\$21.14	Spinal Immobilization	\$47.50
Dopamine	\$17.61	Splint - Arm (disposable)	\$12.00
Dressing - Major	\$6.79	Splint - Leg (disposable)	\$12.00
EKG Electrodes	\$28.75	Sterile Water normal saline	\$12.00
EKG Monitor	\$78.82	Suction Tube / Tip Supply	\$19.10
End Tidal CO ₂ Detector	\$32.85	Valium	\$15.87
EPI I:1000 1mg/1cc	\$17.61	Universal Precautions	\$13.49
		Urinal	\$2.88

*Line-item charges will be eliminated under the new schedule

Table 2: Proposed User Fee Schedule (NEW FEES)

**ALAMEDA COUNTY 911 SYSTEM
CONTRACTOR'S USER FEES**
Effective Date: October 1, 2007
Revised 10/11/07

Bundled Base Rate	\$1,260.00
Mileage/mile	\$29.00
Oxygen	\$95.00
Treat, Non-transport rate	\$350.00

NOTICE OF PUBLIC HEARING – BERKELEY CITY COUNCIL AMUBALANCE USER FEE INCREASE

Notice is given that the City Council of the City of Berkeley will conduct a public hearing on Tuesday, November 27, 2007 regarding the Department of Fire and Emergency Services' proposal to increase the Ambulance User Fee to match the ambulance transport provider fees set forth and approved by Alameda County Board of Supervisors.

This fiscal year's operating budget for the Fire Department's Emergency Medical Services division is \$6.3 million. The projected amount to be collected in ambulance fees is \$2.7 million and will not exceed the cost of the EMS program. The program is funded from the General Fund and the revenue collected will be deposited into a General Fund revenue account.

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In an effort to set a fee that is fair and equitable, and to facilitate contract auditing procedures, Alameda County Emergency Medical Services (EMS) and the transport providers agreed to a "bundled" fee schedule that would increase the ambulance transportation base rate but eliminate the line-item charges for supplies and equipment (see Table 2). In addition, the mileage and oxygen fee was also increased.

The bundled rate will go from \$930.40 to \$1,260.00, the Basic Life Support (BLS) base rate of \$599.00 will be eliminated, mileage charge will go from \$20.00 to \$29.00 per mile, and oxygen will go from \$59.51 to \$95.00.

Additionally, a new fee called "Treat, Non-transport" was added to allow the providers to charge for services rendered to a patient who subsequently declines transportation. This can happen when the condition for which the patient called 911 is resolved by the paramedic in the field. The current fee schedule does not allow the providers to charge anything to the patient for the services rendered. The "Treat, Non-transport" rate is \$350.00.

Table 2: Proposed User Fee Schedule (NEW FEES)

ALAMEDA COUNTY 911 SYSTEM CONTRACTOR'S USER FEES
Effective Date: October 1, 2007
Revised 10/11/07

Bundled Base Rate	\$1,260.00
Mileage/mile	\$29.00
Oxygen	\$95.00
Treat, Non-transport rate	\$350.00

The hearing will be held on November 27, 2007 at 7:00 p.m. in the City Council Chambers, 2134 Martin Luther King, Jr. Way.

A copy of the staff report for this hearing will be available on the City's website at www.ci.berkeley.ca.us as of November 16, 2007.

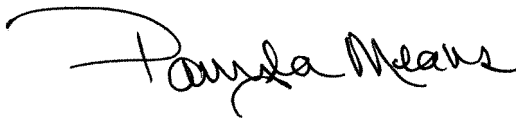
Written comments should be mailed or delivered directly to the City Clerk, 2180 Milvia Street, Berkeley, CA 94704, in order to ensure delivery to all Councilmembers and inclusion in the agenda packet. Comments received no later than Monday, November 19, 2007 will be included in Council agenda packets. Comments received thereafter will be submitted to Council as supplemental communications at the meeting. For further information regarding comments, call Pamyła Means, MMC, City Clerk, 981-6900. FAX: (510) 981-6901. TDD: (510) 981-6903.

For further information, please contact Debra Pryor, Fire Chief at (510) 981-3473.

Published: 1st Publication: November 9, 2007
2nd Publication: November 17, 2007

Government code Section 6062(a) sets forth noticing requirements

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I hereby certify that the Notice for this Public Hearing of the Berkeley City Council was posted at the display case located near the walkway in front of Council Chambers, 2134 Martin Luther King Jr. Way, as well as on the City's website, on November 9, 2007.



Pamyła Means, MMC, City Clerk

