




Office of the City Manager

ACTION CALENDAR
December 8, 2008

To:  Honorable Mayor and Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Debra Pryor, Fire Chief, Fire Department

Subject: Fee Adjustment: Ambulance User Fee

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution to adjust 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 16, 2008, included as an updated addendum to the Ambulance Provider Agreement.

FISCAL IMPACTS OF RECOMMENDATION

In FY 2008, the ambulance billing revenue collected was \$2.980 million. With the new fee adjustment and based on an estimated 6,000 transports per year and 400 on-scene treatments without transport, the projected annual ambulance billing revenue could increase by approximately \$60,000 or 2%. With a planned effective date of February 1, 2009, anticipated new revenue for the five months remaining in the fiscal year is approximately \$25,000. However, given the time to collect the amount billed, the anticipated collection for the last half of the fiscal year is estimated at a modest \$15,000.

The new fee adjustment is the result of a 2.77% Cost of Living Adjustment (COLA) in Alameda County approved by the Alameda County Board of Supervisors.

	Existing	2.77% COLA Adjustment
Base Rate	\$1,260	\$1,294.90
Mileage	\$29	\$29.80
Oxygen	\$95	\$97.63
Treatment / Non-Transport	\$350	\$359.70

This fiscal year’s operating budget for the Fire Department’s Emergency Medical Services (EMS) division is \$6.8 million. The projected amount to be collected in ambulance fees is \$2.912 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 General Fund revenue account 010-6405-341-7900.

Proposed revenue projection for FY 2010 is estimated to be \$3.119 million.

Current cost of EMS Program	Current Revenue projection by existing fees	Proposed Revenue for FY09 (effective January 2009)	Proposed Revenue for FY10
\$6.8 million	\$2.912 million	\$3.028 million	\$3.119 million

CURRENT SITUATION AND ITS EFFECTS

The most recent ambulance user fee increase was approved by City Council on November 27, 2007 (Resolution No. 63,900–N.S.). Prior to this increase, the previous fee increase was on July 1, 2004 (Resolution No. 62,534–N.S.).

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 21% covered by Medicare, 15% covered by Medical, 25% covered by some kind of medical insurance, and 39% self-pay (those without private insurance).

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.

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 16, 2008. 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
- 2: Public Hearing Notice

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

AMBULANCE USER FEE ADJUSTMENT

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 16, 2008; and

WHEREAS, the new user fee schedule is the result of a 2.77% Cost of Living Adjustment as follows:

	Existing	2.77% COLA Adjustment
Base Rate	\$1,260	\$1,294.90
Mileage	\$29	\$29.80
Oxygen	\$95	\$97.63
Treatment / Non-Transport	\$350	\$359.70

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley adopts the ambulance user fee schedule, in accordance with the rates established by the Alameda County Board of Supervisors, effective October 16, 2008.

NOTICE OF PUBLIC HEARING BERKELEY CITY COUNCIL AMBULANCE USER FEE ADJUSTMENT

Notice is hereby given that the City Council of the City of Berkeley will conduct a public hearing on Monday, December 8, 2008 regarding the Department of Fire and Emergency Services' proposal to adjust the Ambulance User Fee to match the ambulance transport provider fees set forth and approved by Alameda County Board of Supervisors. The hearing will be held in the City Council Chambers at 2134 Martin Luther King Jr. Way.

This fiscal year's operating budget for the Fire Department's Emergency Medical Services (EMS) division is \$6.8 million. The projected amount to be collected in ambulance fees is \$2.912 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.

The new fee adjustment is the result of a 2.77% Cost of Living Adjustment (COLA) in Alameda County approved by the Alameda County Board of Supervisors.

	Existing	2.77% COLA Adjustment
Base Rate	\$1,260	\$1,294.90
Mileage	\$29	\$29.80
Oxygen	\$95	\$97.63
Treatment / Non-Transport	\$350	\$359.70

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 **Wednesday, December 3, 2008**.

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, Monday, December 1, 2008 will be included in Council agenda packets. Comments received thereafter will be submitted to Council as supplemental communications at the meeting. For further information, call Deanna Despain, Acting 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: November 28, 2008 and December 5, 2008

Government Code Section 6062(a) sets forth noticing requirements.

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December 8, 2008

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 December 3, 2008..

A handwritten signature in black ink, appearing to read 'Deanna', with a long horizontal flourish extending to the right.

Deanna Despain, Acting City Clerk