



Legislation Text

File #: 14-3908, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 24, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER

DOCKET TITLE:

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Increase Ambulance Transport Fees Based on the Type of Services Provided.

ISSUE: Consideration of an ordinance to increase ambulance transport fees to coincide with cost increases in the EMS System. The higher rates, which are based on the levels of service provided, will allow the City to offset a higher percentage of EMS costs.

RECOMMENDATION: That City Council pass the ordinance (Attachment II) on first reading on May 7, 2015, and schedule the ordinance for public hearing, second reading and final passage on Saturday, May 16, 2015. The ordinance would become effective on July 1, 2015.

BACKGROUND: As part of the FY 2016 Proposed Budget, the Fire Department submitted a proposal to increase ambulance billing rates, which were last increased on July 1, 2008.

The last time the City of Alexandria increased fees was in 2008. The fee was set at \$400 for Basic Life Support (BLS) service, \$500 for Advanced Life Support (ALS)-1 service, and \$675 for ALS-2 service. The intent of the City's BLS and ALS fee policy was to have (1) rates that were closer to the cost of service provision, and (2) have rates that were equal to Arlington and Fairfax since with medical aid an Alexandria resident may receive service from an ambulance dispatched from another jurisdiction (and vice-versa). This proposed increase would make the City's BLS and ALS fees equal to Fairfax County.

DISCUSSION: The first priority of the FY 2016 budget from the City Manager is the diversification and expansion of the City's tax base, which includes user fees and charges for service such as ambulance transport.

Since the inception of fees, EMS transport fees, or user fees, have helped to recover part of the cost of EMS service, but the cost of EMS transport service has always exceeded the amount charged for the service. Ambulance billing revenue currently brings in approximately \$2.1 million in revenue while the cost of EMS transport services is over \$8.9 million in the FY 2015 budget. Staff recommends that ambulance transport fees be increased, since they have not been increased since 2008, when the cost for EMS transport services was \$7 million.

The ordinance provides definitions of Basic Life Support, Advance Life Support, Level 1, and Advanced Life Support, Level 2. The definitions of these three levels of care are found in the National Emergency Medicine Service Education and Practice Blueprint, which is a nationally recognized publication about EMS standards of care. The proposed fee schedule is as follows:

BASIC LIFE SUPPORT (BLS) --Proposed New Fee is \$500: BLS service is the transportation by ground ambulance vehicle and the provision of medically necessary supplies and services *without* Advance Life Support intervention;

ADVANCED LIFE SUPPORT (ALS-1) --Proposed New Fee is \$650: ALS-1 service is the transportation by ground ambulance vehicle and the provision of medically necessary supplies and services, including the provision of an ALS assessment and at least one ALS intervention;

ADVANCED LIFE SUPPORT (ALS-1) -- Proposed New Fee is \$800: ALS-2 is the transportation by ground ambulance vehicle and the provision of medically necessary supplies and services including: (1) at least three separate administrations of one or more medications by intravenous push/bolus or by continuous infusion; or (2) ground ambulance transport and the provision of a least one very advanced ALS procedure.

A large portion of the billed fees are paid for by insurance companies. The proposed fee structure continues Alexandria's practice of soft billing, meaning that there is no penalty for not paying these invoices and they are not sent to a collection agency. After two notices, the matter is simply dropped and the bill is not collected. The Department receives payment on approximately 60% of its total amount billed, which is consistent with prior years.

A table showing surrounding jurisdiction rates and Alexandria's current and proposed rates is below:

	<u>BLS</u>	<u>ALS1</u>	<u>ALS2</u>
Alexandria CURRENT	\$400	\$500	\$675
Manassas	\$400	\$500	\$700
Manassas Park	\$400	\$500	\$700
Prince William	\$400	\$500	\$700
Arlington	\$404	\$505	\$681
MWAA	\$450	\$550	\$775
Loudoun	\$467	\$660	\$770
Alexandria PROPOSED	\$500	\$650	\$800
Fairfax County	\$500	\$650	\$800
Fairfax City	\$572	\$676.26	\$780

FISCAL IMPACT:

The FY 2016 budget includes an increase of \$528,773 in revenue as a result of the proposal. This estimate is based on an average of the last three years of collections and call volumes.

ATTACHMENTS:

Attachment 1: Ordinance Cover

Attachment 2: Ordinance

STAFF:

Debra Collins, Deputy City Manager

Robert Dubé, Fire Chief

Morgan Routt, Acting Director, Office of Management and Budget

Matthew Bosse, Administrative Division Chief, Fire