



City Council Agenda Bill

20348

Bill Number

Subject: Ordinance Amending Bellingham Municipal Code Section 4.82.060 Regarding Ambulance Service Rates

Summary Statement: Ambulance service fees are utilized to offset expenses for providing patient care and transport, and they are established for ambulance services provided for users. Our current ambulance service rates were last revised in 2007. This ordinance will revise our ambulance fees to be more consistent with changes to Medicare reimbursements. Basic Life Support (BLS) fees will be adjusted annually based upon CPI-U. Advanced Life Support (ALS) fees will be adjusted in accordance with ALS fees as adopted by Whatcom County Council.

Previous Council Action: 2007 Fee Increase
Interlocal Agreement for Advanced Life Support Services, Contract #2013-0604

Fiscal Impact: Increase in annual BLS revenue estimated at \$82,000 based on 2012 statistics.

Funding Source: Ambulance Service Fees

Attachments: Ambulance Fee Memo, Ambulance Fee Ordinance - 2014

Meeting Activity	Meeting Date	Staff Recommendation	Presented By	Time
Committee Briefing Vote Requested	3/24/2014	Pass Ordinance	Interim Fire Chief Bill Newbold	2 minutes

Recommended Motion: .

Council Committee:
Public Works and Public Safety Committee

Agenda Bill Contact:
Bill Newbold - 778-8412

Reviewed By	Department	Date
<i>William D. Newbold</i>	Fire	03/17/2014
<i>William D. Newbold</i>	Fire	03/17/2014
<i>Peter Ruffatto</i>	Legal	3/18/2014
<i>Kelli J. Linville</i>	Executive	03/18/2014



BELLINGHAM FIRE DEPARTMENT

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*Mayor Kelli Linville
Interim Fire Chief Bill Newbold*

March 17, 2014

Mayor Kelli Linville
City of Bellingham

RE: Ambulance Billing Rates

Mayor Linville,

The ordinance that accompanies this letter does the following with respect to ambulance services provided by the City of Bellingham: (1) updates Basic Life Support (BLS) service fees and establishes an automatic annual fee adjustment based on CPI; and (2) establishes Advanced Life Support (ALS) service fees in accordance with the fee schedule adopted by the Whatcom County Council.

By way of background, the City of Bellingham, doing business as Whatcom Medic One (for ALS services), and the City of Bellingham, operating through the Bellingham Fire Department (for BLS services), last increased ambulance transportation fees in 2007. At that time and for the previous 30 years, Whatcom Medic One's operating budget was targeted to approximately 50% billing revenue support. Ambulance fees reflected this operating philosophy. Fees have remained at 2007 levels as the City and County worked toward enacting the current ALS contract.

In the new Interlocal Agreement for ALS Support Services contract, Whatcom County is responsible for setting billing rates for all ALS fees associated with contracted ALS transport units. The rates to be set at this time include services provided by the contracted units at the ALS and BLS levels as well as BLS and ALS services that will be provided by non-contracted units.

Under the new ALS service contract, the City of Bellingham will have an opportunity to advise and recommend updated rates to the Technical Advisory Board (TAB) and subsequently the EMS Oversight Board (EOB). COB also has the opportunity to review and modify the fees it will charge for services provided by BFD ambulances that are not contracted to Whatcom County. These transports will primarily be at the BLS level.

Considering staff and equipment for providing first response emergency ambulance service, costs are approximately the same for each 911 call. However, many responses do not result in ambulance transports, and many ambulance transports are not billable. Seventy percent of billable transports are paid by Medicare/Medicaid which set their remit rates far below our

actual costs. Of the remaining claims, one-quarter historically are uncollectable. For these reasons, realizing 100% return on expenses through ambulance billing is not achievable regardless of the fee schedule adopted. Still, any remittance augments public expenditure, so we sought a stable rationale to recommend fees which will hold up to future modification.

During this 7-year lag in rate adjustment, costs associated with providing ALS services, like other healthcare services, have increased above inflation. Arriving at a current figure reflective of these increases could be approached by applying the Consumer Price Index (CPI), which includes healthcare in its formulas, to the previous fee schedule.

Another tailored index for healthcare is the Relative Value Units measure (RVU) used by Centers for Medicare Services (CMS). This index is adjusted at least every five years and varies by type of service, including ambulance services. A further CMS modifier can be applied for adjustment in cost of services by location, called the Geographic Pricing Cost Index (GPCI). These indices applied to known costs arrive at an estimate of the resources required to actually deliver the service. This figure can be used as a fixed reference to apply multipliers of various kinds to arrive at billable amounts.

Using this method, we arrived at an adjusted cost of approximately \$1600 per ALS response and \$1300 per BLS response, then applied the 50% subsidized service philosophy to arrive at a target figure as a basis from which to modify as costs change going forward. See Appendix A.

This target figure is within the range of fees for similar services charged by other public ambulance providers in our region and is also close to the figure derived by applying CPI to the 2007 schedule. For these reasons, Bellingham Fire proposes that the City adopt the following fees for ambulance service in 2014:

- BLS-Emergency: \$590.00
- BLS-Non-Emergency: \$550.00
- Mileage: \$15.00/mile
- Non-Resident Fee: strike from schedule, impractical
- Medical Record Copy Fees: apply WA State standard rate (WAC 246-08-400)

For ALS transport rates on BFD non-contracted units, we propose that COB mirror the rates adopted by Whatcom County. As a means to streamline fee setting and maintain pace with costs, we further propose that COB enact by ordinance a measure to apply a CPI annually to transport fees, with provision to withhold modification in years where CPI is negative, given that the fees are not intended as 100% cost capture.

Please advise if further information or clarification is required.

Sincerely,



Bill Newbold
Interim Fire Chief
Bellingham Fire Department

March 17, 2014
 Ambulance Billing Rates
 Appendix A

Ambulance Fee Survey, current rates

AGENCY	BLS Emergent	BLS Non-Emergent	ALS1 Emergent	ALS1 Non Emergent	ALS2	SCT	ALS-NT	MILEAGE
BFD	\$450.00	\$390.00	\$675.00	\$675.00	\$675.00	\$675.00	\$225.00	\$12.00
REST OF WHATCOM CO	\$450.00	\$450.00	675	675	795			\$12.00
SKAG MED ONE	\$536.00	\$385.00	\$700.00	\$700.00	\$750.00	\$750.00	\$75.00	\$13.00
EVERETT FIRE	\$501.50	\$501.50	\$712.60	\$712.60	\$821.60			\$15.84
SDW CLIENT AVERAGE	\$505.20	\$595.20	\$812.70		\$916.00	\$979.80	\$350.10	\$14.10
AVERAGE	\$488.54	\$464.34	\$715.06	\$690.65	\$791.52	\$801.60	\$216.70	\$13.39

COB Ambulance Fees – RVU/GPCI Method (2013 estimates)

Total expenses	7,100,000.00
total incidents	8373
average cost per incident	\$847.96
EXAMPLE FOR ALS-1-EMERGENCY	
Relative Value Unit for ALS1 = 1.9	\$1,611.13
Assume 50% tax subsidized	\$805.57
GPCI	1.012
Example ALS1 fee	\$815.23
EXAMPLE FOR BLS - EMERGENCY	
Relative Value Unit for BLS = 1.6	\$1,356.74
Assume 50% tax subsidized	\$678.37
GPCI	1.012
Example BLS fee	\$686.51

COB ALS Ambulance Fees – CPI Method

	ALS1	BLS	MILEAGE
current charge	\$675.00	450.00	12.00
CPI = 25.615 cum. 2007-2013	\$172.90	115.27	3.07
Example fees	\$847.90	565.27	15.07

ORDINANCE NO. _____

**AN ORDINANCE AMENDING BELLINGHAM MUNICIPAL CODE ("B.M.C.")
SECTION 4.82.060 REGARDING AMBULANCE SERVICE RATES.**

WHEREAS, Ambulance service fees should be changed to reflect changes to Medicare reimbursements; and

WHEREAS, B.M.C. Section 4.82.060 should be amended to reflect a new fee schedule consistent with changes to Medicare reimbursements,

NOW, THEREFORE, THE CITY OF BELLINGHAM DOES ORDAIN:

Section 1: B.M.C. 4.82.060 shall be amended as follows:

4.82.060 - Ambulance Service Rates

The following rates are established for ambulance service to users of the Bellingham Fire Department EMS service:

A. Base rates plus those charges described in B and C.

Emergency Medical:

Basic life support (BLS) transport	\$590
Advanced life support (ALS) no transport*	225
Advanced life support transport ALS 1*	750
Advanced life support transport ALS 2*	950
Specialty Care Transport*	950
Unsuccessful Resuscitation*	up to \$950

The ambulance service fee for Unsuccessful Resuscitation is billed at the highest level of intervention provided, either BLS, ALS1 or ALS2.

Non-Emergency Scheduled Transfers:

Basic life support	550
Advanced life support transport ALS 1*	750

B. **Mileage per mile:**

Calculated from the point at which the patient is accepted to the point of delivery

Basic life support transport	\$15/mile
Advanced life support transport*	15/mile

C. Multiple patients in one ambulance.

Billed in accordance with Medicare guidelines; bill full base rate; Medicare prorates for additional patients.

Current ALS* or BLS rate

The fees set forth above as ALS service fees and marked with an asterisk ("*") shall be established by ordinance by the Whatcom County Council. In the event that the Whatcom County Council establishes an ALS service fee that differs from those set forth above, the ALS service fee established by the Whatcom County Council shall govern.

The rates established in this section shall be effective the first of the month following approval by the Bellingham City Council.

BLS ambulance fees will be adjusted annually, on January 01, based on the previous 12 month average October to October CPI-U for greater Seattle area, but shall not be decreased. Rates will be rounded to the nearest whole dollar.

ALS ambulance fees will be adjusted in accordance with ALS fees adopted by Whatcom County Council.

PASSED by Council this ____ day of _____, 2014.

Council President

APPROVED by me this ____ day of _____, 2014.

Mayor

ATTEST:

Finance Director

APPROVED AS TO FORM:

Office of the City Attorney

Published: _____

Ordinance Amending BMC 4.82.060 - 2

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