



Sacramento Metropolitan Fire District

10545 Armstrong Ave., Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

DATE: June 22, 2023
TO: Board of Directors
SUBJECT: Adoption of Ordinance 2023-01 Fee Adjustment for Medical Aid and Ambulance Transport Services

TOPIC

Adoption of Ordinance 2023-01, amending Ordinance 2017-01 adopted by the Board of Directors on August 10, 2017, and updating the District's medical aid and ambulance transport user fees. The effective date of the increase would be July 24, 2023, or as soon possible thereafter.

BACKGROUND

The Fire Protection District Law (Health & Safety Code §13800, et seq.) is the source of statutory authority for the District. Section 13916(a) provides that the District Board may charge a fee to cover the cost of any service which the district but limits the amount of the fee to the costs reasonably borne by the district in providing the service.

The District has established user fees to defray the costs of ambulance, medical aid, and rescue responses and other related services provided by the District. The fees were last reviewed in 2017 and have been adjusted annually by the change in the Medical Care Consumer Price Index (CPI).

Given increases in the cost of labor, medical supplies, and ambulances since 2017, staff felt it was appropriate to undertake a more thorough review of the cost of providing EMS related services to ensure that the fees being charged for such services are properly aligned with current costs. Recently, more public medical transport providers have converted to a single ambulance transport "base rate," as opposed to separate rates for Advanced Life Support (ALS) and Basic Life Support (BLS) transports.

DISCUSSION

A review of current EMS system costs and revenues demonstrates that the District is recovering roughly 34 percent of the cost of providing EMS services, with the balance covered by District property taxes and other general operating revenues. Using proposed FY 2023/24 budget amounts, the growth in EMS related expenses further outpace the growth in EMS revenue, with cost recovery declining to 32 percent of EMS system costs.

As a general rule, fees should be reviewed and adjusted roughly every five years or whenever there are significant changes impacting revenues or expenses. The last comprehensive review of EMS charges occurred in 2017, and since that time there

have been number of significant changes impacting the cost of pre-hospital emergency medical services provided by the District.

With these considerations in mind, staff initiated an EMS fee study and review of billing practices, with the following goals:

- Decrease reliance on property taxes and other general operating revenues to fund EMS system expenses by ensuring EMS cost recovery is at least keeping pace with EMS costs;
- Establish a methodology to support an increase in EMS fees;
- Identify opportunities to streamline and lower costs associated with EMS service billing.

The results of the study support an increase in EMS fees/cost recovery. Furthermore, a review of the billing practices used by other major public transport providers, and discussions with the District's current billing service provider, suggest that changing to a single base rate for an ambulance transport would result in reduced billing charges.

The current and recommended fees are shown in the following table:

	July 1, 2023*	Recommended
First Responder Fee	\$447	\$500
Treat/No Transport Fee	\$447	-
Assessment at Scene	-	\$500
Emergency Ambulance Transport Base Rate	-	\$2,780
ALS Bundle Base Rate	\$2,325	-
BLS Bundle Base Rate	\$2,114	-
Mileage	\$41	\$50
Oxygen	\$171	\$178
Night Charge	\$152	\$158
Cardiac Monitor	\$133	\$138

*Reflects annual CPI increase over prior year: 3.9 percent effective July 1, 2023

The recommended fees were developed using updated costs from the 2023/24 preliminary budget. ATTACHMENT A contains the cost analysis used to develop the Emergency Ambulance Transport Base Rate and ATTACHMENT B contains the cost analysis used to develop the First Responder Fee (involving transport) and Assessment at Scene (no transport). The recommended charges for Oxygen, Night Charge and Cardiac Monitor charges are based on the current rate plus a Medical Care CPI adjustment. ATTACHMENT C provides a comparison of other regional public agency EMS providers.

Most of the increased revenue from the fee adjustments would come from emergency ambulance transports. As noted in the following table, over 95 percent of transport revenues come from some form of medical insurance (private pay, Medicare, and MediCal), with private payers representing less than 5 percent of payments. Overall, 95 percent of EMS fee revenue is derived from transports, and 5 percent from assessments at scene.

PaySource	TRANSPORTS	ASSMT at SCENE
	Run Percentage	Run Percentage
Insurance	14.40%	20.00%
Private Pay	4.60%	38.00%
Medicare/Workers Comp/VA	49.50%	5.00%
MediCal	31.50%	37.00%
	100.00%	100.00%

FISCAL IMPACT

The recommended fee adjustments are estimated to generate an additional \$4 million of EMS service cost recovery during FY 2023/24 and maintain EMS cost recovery at approximately 34 percent. Not approving the fee adjustments would result in an increased use of property taxes and other general operating revenues to fund EMS system costs and reduce funding available for other emergency services provided by the District.

RECOMMENDATION

Staff recommends adoption of Ordinance 2023-01, an Ordinance of the Sacramento Metropolitan Fire District Amending Its Medical Aid and Ambulance Transport User Fees.

Submitted by:



Dave O'Toole
Chief Financial Officer

Approved by:



Dan Haverly
Fire Chief

Jon Rudnicki
Assistant Chief, EMS

- ATTACHMENTS:**
 Attachment A Base Rate Cost Analysis
 Attachment B First Responder Cost Analysis
 Attachment C Fee Comparison
 Ordinance 2023-01



DAN HAVERTY
Interim Fire Chief

Sacramento Metropolitan Fire District

10545 Armstrong Ave. Suite 200 • Mather, CA 95655 • Phone (916) 859-4300 • Fax (916) 859-3702

PROPOSED ORDINANCE NO. 2023-01

Adopted by the Board of Directors of the
SACRAMENTO METROPOLITAN FIRE DISTRICT

AN ORDINANCE OF THE SACRAMENTO METROPOLITAN FIRE DISTRICT AMENDING ITS MEDICAL AID AND AMBULANCE TRANSPORT USER FEES FOR THE SACRAMENTO METROPOLITAN FIRE DISTRICT

The Board of Directors of the Sacramento Metropolitan Fire District ordains as follows:

SECTION 1:

- 1) On November 1, 2000, the Board of Directors of Sacramento Metropolitan Fire District adopted Resolution 31-00 establishing a schedule of fees authorized under Health and Safety Code Section 13916 for providing ambulance, medical aid, and rescue services as set forth in **Exhibit "A"**, attached hereto and incorporated herein.
- 2) On January 12, 2012, the Board of Directors of Sacramento Metropolitan Fire District adopted Ordinance 2012-01 amending its medical aid and ambulance transport user fees.
- 3) On August 24, 2017, the Board of Directors of Sacramento Metropolitan Fire District adopted Ordinance 2017-01 establishing an annual adjustment to the fees based on the percentage change in the Consumer Price Index (CPI), as specified in Section 7 below.

SECTION 2:

By adopting this Ordinance, the Sacramento Metropolitan Fire District is amending its schedule of fees to defray the costs of ambulance, medical aid, and rescue responses and other related services furnished by the District. The Board of Directors of the Sacramento Metropolitan Fire District directs that the fees shall be applied uniformly, as allowed by law, and collected in full subject to the provisions of Section 3 of this Ordinance.

SECTION 3: Waiver of Fees

- A. The Fire Chief may waive applicable fees or costs when he/she or designated representative determines it is in the best interest of the Fire District to do so. The Fire Districts compassionate billing policy will be utilized to make these decisions.

- B. The medical supply restocking fees will not be charged when those supplies used are replenished from other sources without charge to the Fire District.
- C. The District may choose to accept actual amount of payments from the insurance carrier for emergency response.

SECTION 4:

To the extent that the terms and provisions of this ordinance are inconsistent or otherwise in conflict with any terms or provisions of prior ordinances, including Resolution 31-00 or other enactments of the District's Board of Directors, the terms of this ordinance shall control with respect thereto.

SECTION 5:

The fees and charges imposed by this ordinance are for the purpose of meeting operating expenses in connection with the services provided for the particular activity referred to in each charge. These include costs for employee wage rates and fringe benefits, supplies, equipment, or materials, related to the service being provided, and the cost to maintain the particular service within existing service areas.

SECTION 6:

If any fee or provision of this ordinance is held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining fees or provisions and the Board declares that it would have adopted each part of this ordinance irrespective of the validity of any other part.

SECTION 7: Ambulance Fee Annual Adjustment

The fees identified in **Exhibit "A"** shall be adjusted annually, beginning July 1, 2018, and each July 1st thereafter, by the percentage change in the Consumer Price Index (CPI) Series Title Medical Care in the U.S. City Average, All Urban Consumers, Not Seasonally Adjusted, as published by the U.S. Department of Labor, Bureau of Labor Statistics for the twelve (12) month period ending December 31 of the preceding calendar year.

Approval by the Board of Directors shall be by resolution, adopted at a regularly scheduled meeting of the Board prior to enactment of the increase.

SECTION 8:

This ordinance shall take effect on **July 24, 2023**.

SECTION 9: Revision of Fee Schedule

The Board of Directors of the Sacramento Metropolitan Fire District may, from time to time, revise this fee schedule as a result of changes in operating expenses of the District. Such revisions shall be adopted in the form of amendments to this ordinance, after public comment at a regularly scheduled meeting of the Board in accordance with Health and Safety Code Section 13916.

Effective July 24, 2023, and subject to the annual ambulance fee adjustment described above, the fee schedule will be as set forth in Exhibit A:

The first reading of this Ordinance was introduced at a regular meeting held on the 8th day of June 2023.

Second reading of this Ordinance was adopted by the Board of Directors of the Sacramento Metropolitan Fire District at a regular meeting held on the 22nd day of June 2023, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Sacramento Metropolitan Fire District

President, Board of Directors

ATTEST:

Marni J. Rittburg, CMC, CPMC
Clerk of the Board

**Sacramento Metropolitan Fire District
Ambulance, Medical Aid, and Rescue Response and Related Fees**

EXHIBIT "A"

First Responder Fee ————— \$376.00

Treat/No Transport Fee ————— \$376.00

ALS Bundle Base Rate: ————— \$2032.00 —————
 BLS Bundle Base Rate: ————— \$1849.00 —————
 Mileage: ————— \$36.21 —————
 Oxygen ————— \$150.43 —————
 Night charge: ————— \$132.52 —————
 Cardiac monitor: ————— \$117.28 —————

First Responder Fee	\$500
Assessment at Scene	\$500
Emergency Ambulance Transport Base Rate	\$2,780
Mileage	\$50
Oxygen	\$178
Night Charge	\$158
Cardiac Monitor	\$138