



Office of the City Manager

PUBLIC HEARING
May 16, 2017

To: Honorable Mayor and Members of the City Council

From: Dee Williams-Ridley, City Manager

Submitted by: Gil Dong, Fire Chief

Subject: Ambulance Transport Fee Adjustment

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution adjusting the Ambulance Transport Fee to match the Alameda County's ambulance user fee schedule approved by the Alameda County Board of Supervisors on January 10, 2017. The last fee increase approved by the Alameda County Board of Supervisors was in May 2015. The increase would be included as an updated addendum to the Ambulance Provider Agreement between the City of Berkeley and Alameda County Emergency Medical Services Agency and rescind Resolution No. 66,597–N.S.

FINANCIAL IMPACTS OF RECOMMENDATION

The proposed rates represent an overall fee increase of 8.4% over current rates which will bring in an additional \$150,000 in transport revenue. In FY 2016, the ambulance billing revenue collected was \$4.11 million. The current revenue projection with existing fees for FY 2017 is \$4.2 million based on annualized February to-date deposits. The FY 2017 to-date is showing a 3% increasing trend, with a corresponding 2% increasing transport volume based on February to-date transports.

Description of Fee:

The ambulance transport fee is charged for the emergency medical treatment and transport of patients to an emergency room. The fee is used to offset the cost of providing paramedic level treatment and ambulance transportation.

Fee Basis:

The Alameda County Board of Supervisors adopted and approved fee increases on January 10, 2017 for ambulance transportation in Alameda County.

The table listed below provides a comparison of the existing ambulance fee and the proposed ambulance fee which will become effective July 1, 2017. These adjustments account for the increased cost of ambulance transport, paramedic services, and use of medical equipment or supplies.

	Existing	Proposed
Base Rate	\$1,895.00	\$2054.50
Mileage	\$45.00	\$48.81
Oxygen	\$149.00	\$161.61
Treatment / Non-Transport	\$483.44	\$483.44

The Fire Department's Emergency Medical Services (EMS) division General Fund operating budget is \$6.5 million. The amount projected to be collected in ambulance billing fees of \$4.2 Million does not exceed the cost of the EMS program. Revenue collected will be deposited into General Fund revenue account 010-6405-341-7900.

Current General Fund budget of EMS Program	Current FY 2017 Revenue projection by existing fees	Projected Revenue for FY 2018 with new fees effective July 2017
\$6.5 million	\$4.20 million	\$4.37 million

CURRENT SITUATION AND ITS EFFECTS

Under the terms of the Alameda County Ambulance Provider Agreement contract, Alameda County Board of Supervisors is responsible for setting and approving any fees that are applicable to all contracted transporting agencies. The increases are either COLA or base rate adjustments. For the City of Berkeley, there has been no rate increase since July 1, 2015.

The increase in the proposed base rates will not increase collections or reimbursement from Medicare and Medi-Cal because charges already exceed the Medicare and Medi-Cal allowable reimbursement. Additionally, Medicare reimbursement is negatively impacted by the 2% sequestration decrease. The Medi-Cal rates were also reduced an additional 9% effective September 5, 2013. The increase in the proposed base rates may also negatively impact collections from the self-pay patients whose liability will increase with the new rates. The private insurance accounts are the only accounts where additional revenues could be collected by the proposed base rate increase but

higher deductible plans will increase patient liability which could negatively impact collections. The potential changes in the Affordable Care Act being proposed will also negatively impact collections.

Berkeley's FY 2016 payer's mix is made of 41% covered by Medicare (including Kaiser Medicare), 26% covered by Medi-Cal, 22% covered by some kind of private medical insurance, and 11% self-pay (those without insurance). The proposed changes to the Affordable Care Act could increase self-pay accounts and reduce Medi-Cal accounts as well as reduce some private insurance accounts, but it is difficult to predict the financial impact of these changes. However the negative impact of the Affordable Care Act is assumed to be neutral in these estimates. The aging population could also increase Medicare accounts and decrease collections.

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 Paramedics Plus 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.

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental effects or opportunities associated with the action requested in this report.

RATIONALE FOR RECOMMENDATION

The Berkeley Fire Department is seeking to match the transport fees as approved by the Alameda County Board of Supervisors. 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

David Brannigan, Deputy Fire Chief, 981-5501
Abe Roman, Assistant Fire Chief, 981-5590

Ambulance User Fee Adjustment

PUBLIC HEARING
May 16, 2017

Attachments:

1: Resolution

2: Public Hearing Notice

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

AMBULANCE TRANSPORT 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 Board of Supervisors sets the rates for emergency ambulance transport; and

WHEREAS, the revenue collected will be deposited into General Fund revenue account 010-6405-341-7900, and

WHEREAS, the County of Alameda Board of Supervisors established and approved a new Contractor User Fee schedule for ambulance transport providers on January 10, 2017.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the new ambulance user fee schedule in accordance with the rates established by the Alameda County Board of Supervisors is adopted as follows effective July 1, 2017:

	July 1, 2017
Base Rate	\$2,054.00
Mileage	\$48.81
Oxygen	\$161.61
Treatment / Non-Transport	\$483.44

BE IT FURTHER RESOLVED that Resolution No. 66,597-N.S. is rescinded effective July 1, 2017.

**NOTICE OF PUBLIC HEARING
BERKELEY CITY COUNCIL
AMBULANCE USER FEE ADJUSTMENT**

Notice is hereby given by the City Council of the City of Berkeley that a public hearing will be conducted by said city council of the City of Berkeley at which time and place all persons may attend and be heard upon the following:

The Fire Department is proposing to increase the Ambulance User Fee base rate 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 (EMS) division is \$6.5 million. The projected amount to be collected in ambulance fees is \$4.37 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 County of Alameda has established and approved a new base rate Contractor User Fee schedule for ambulance transport providers effective January 10, 2017. The increased fees would be effective July 1, 2017.

	Existing	Effective July 1, 2017
Base Rate	\$1,895.00	\$2,054.50
Mileage	\$45.00	\$48.81
Oxygen	\$149.00	\$161.61
Treatment / Non-Transport	\$483.44	\$483.44

The hearing will be held on **May 16, 2017** in the City Council Chambers, 2134 Martin Luther King, Jr. Way.

For further information, please contact David Brannigan, Deputy Fire Chief, at (510) 981-3473.

A copy of the staff report for this hearing will be available on the City's website at www.CityofBerkeley.info as of **May 4, 2017**.

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. Communications to the Berkeley City Council are public record and will become part of the City's electronic records, which are accessible through the City's website. **Please note: e-mail addresses, names, addresses, and other contact information are not required, but if included in any communication to the City Council, will become part of the public record.** If you do not want your email address or any other contact information to be made public, you may deliver communications via U.S. Postal Service or in person to the City Clerk. If you do not want your contact information included in the public record, please do not include that information in your communication. Please contact the City Clerk at 981-6900 or clerk@cityofberkeley.info for further information.

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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 **May 4, 2017**.



Mark Numainville, City Clerk

