



Office of the City Manager

PUBLIC HEARING  
May 14, 2019

To: Honorable Mayor and Members of the City Council  
 From: Dee Williams-Ridley, City Manager  
 Submitted by: Dave Brannigan, Fire Chief  
 Subject: Ambulance User Fee Adjustment

RECOMMENDATION

Conduct a public hearing and upon conclusion, adopt a Resolution adjusting the Ambulance User Fee to match Alameda County’s approved ambulance user fee schedule made effective September 1, 2018, for the Cities of Alameda, Albany, Berkeley, and Piedmont. The increase would be included as an updated addendum to the Ambulance Provider Agreement, and rescinding Resolution 67,979–N.S.

FISCAL IMPACTS OF RECOMMENDATION

The Alameda County Health Care Services Agency notified the City on October 25, 2018 that they had approved an increase in the Bundled Base Rate User Fee that may be charged by the County’s 911 Ambulance Transport Service Provider. Under the terms of the of Berkeley’s Emergency Medical Services Ambulance Transport Services Agreement, the City may increase its Bundled Base Rate to \$2,181.38, Mileage to \$50.71, Oxygen to \$167.91, and Treatment/Non-Transport to \$450.77 beginning September 1, 2018. The City will increase its rate effective July 1, 2019 and will not apply the increase retroactively. These adjustments account for the increased cost of ambulance transport, paramedic services, and medical equipment/supplies.

	Existing	Proposed (Effective July 1, 2019)	Change
Base Rate	\$2,054.00	\$2,181.38	6.18%
Mileage	\$48.81	\$50.71	3.89%
Oxygen	\$161.61	\$167.91	3.90%
Treatment / Non-Transport *	\$483.44	\$450.77	-6.76%

*\*For patients who receive a medical intervention, such as intravenous medication administration, and subsequently refuse transport.*

In FY 2018, the ambulance billing revenue collected was \$4.34 million. The current revenue projection with existing fees for FY 2019 is \$4 million based on annualized February to-date deposits. The FY 2019 to-date is showing a decreasing trend, even

with a consistent transport volume, because of higher deductible insurance plans, a higher number of transports reimbursed by Medicare & MediCal, and higher uncollectible rates. The proposed base rate increase would take effect on July 1, 2019.

Based on an estimated 7,000 transports per year, the newly proposed fee increase could increase the ambulance billing revenue by approximately \$75,000 a year.

In FY 2018, the Fire Department's Emergency Medical Services Division (EMS) expended \$13.0 million. \$3.0 million or 22.7% was funded by the General Fund. \$4.34 million or 33.3% was funded by ambulance fee collections. The collected fees were deposited into the General Fund.

#### 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 departments. The increases are either COLA or base rate adjustments. For the City of Berkeley, the last rate increase was approved by the City Council on May 16, 2017 (Resolution 67,979–N.S.); and the rate increase was made effective July 1, 2017.

Berkeley's FY 2018 payer mix was made up of 70.5% Medicare and MediCal, 16.5% private insurance, and 13.0% consisted of self-pay, auto insurance, workers compensation, and/or some other forms medical insurance. The proposed rate increase will not increase collections or reimbursement from Medicare and MediCal because their allowable reimbursements are capped below \$600 per transport. Private insurance is the only payer from which additional revenues could be collected under the proposed rate increase. However, higher deductible plans will increase patient liability which could negatively impact 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 serves as the ambulance transport providers for other parts of Alameda County. The contract will expire on June 30, 2019 and a new contract is currently under negotiation. Under the current contract, 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.

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 agencies. The increases are either COLA or base rate adjustments.

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 Council approval to increase the base rate for ambulance user fees to match those approved by Alameda County and made September 1, 2018. Presently, periodic rate increases helps to recoup increasing costs incurred for providing ambulance services.

Government Code Section 6062(a) dictates the manner of publication for fee increase public hearings.

ALTERNATIVE ACTIONS CONSIDERED

Continue with the existing User Fee Schedule which was approved by the Alameda County Board of Supervisors and made effective November 1, 2016.

CONTACT PERSON

Dave Brannigan, Fire Chief, Fire, 981-5500  
Abe Roman, Deputy Fire Chief, 981-5502

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. The agreement will expire on June 30, 2019 and a new contract is currently under negotiation; 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 the following new Contractor's User Fee schedule for ambulance transport providers. The rates were made effective September 1, 2018.

	<b>Existing</b>	<b>New User Fee Schedule</b>
Base Rate	\$2,054.50	\$2,181.38
Mileage	\$48.81	\$50.71
Oxygen	\$161.61	\$167.91
Treatment / Non-Transport	\$483.44	\$450.77

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the new ambulance user fee schedule is adopted in accordance with the rates established by the County of Alameda, effective July 1, 2019, as follows:

	<b>User Fee Schedule</b>
Base Rate	\$2,181.38
Mileage	\$50.71
Oxygen	\$167.91
Treatment / Non-Transport	\$450.77

BE IT FURTHER RESOLVED that Resolution No. 67,979-N.S. is rescinded, effective July 1, 2019.

**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 rates to match the ambulance transport provider fees set forth and approved by the County of Alameda.

In FY 2018, the Fire Department’s Emergency Medical Services Division (EMS) expended \$13.0 million. \$3.0 million or 22.7% was funded by the General Fund. \$4.34 million or 33.3% was funded by ambulance fee collections. The projected FY 2019 ambulance fees is \$4.0 million. Collected ambulance fees are deposited into a General Fund revenue account.

The County of Alameda has established and approved a new base rate Contractor’s User Fee schedule for ambulance transport providers effective September 1, 2018. The City of Berkeley fee increase would be effective July 1, 2019.

	<b>Rates Approved by Alameda County and Made Effective November 1, 2016</b>	<b>Rates Approved by Alameda County and Made Effective September 1, 2018</b>
Base Rate	\$2,054.50	\$2,181.38
Mileage	\$48.81	\$50.71
Oxygen	\$161.61	\$167.91
Treatment / Non-Transport	\$483.44	\$450.77

The hearing will be held on May 14, 2019 **at 6:00 p.m.** in the School District Board Room, 1231 Addison Street.

For further information, please contact Abe Roman, 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](http://www.CityofBerkeley.info) as of **May 2, 2019**.

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 e-mail 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](mailto:clerk@cityofberkeley.info) for further information.

*If you challenge the above in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Berkeley at, or prior to, the public hearing. Background information concerning this proposal will be available at the City Clerk Department and posted on the City of Berkeley webpage at least 10 days prior to the public hearing.*

**Published:** May 3 and May 10, 2019 – The Berkeley Voice Per Government Code 6062A

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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 the Maudelle Shirek Building, 2134 Martin Luther King Jr. Way, as well as on the City’s website, on May 2, 2019.

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Mark Numainville, City Clerk