



City of Sacramento City Council

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915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: 6/26/2012

Report Type: Consent

Title: Proposed Emergency Medical Services (EMS) Fee Adjustments

Report ID: 2012-00556

Location: Citywide

Recommendation: Pass a Resolution amending the City's Fee and Charge Report relative to Sacramento Fire Department (SFD) fees for providing EMS effective July 1, 2012.

Contact: Joseph A.D. Jackson, Deputy Chief, 916-808-2250, Fire Department

Presenter: None.

Department: Fire

Division: Emergency Medical Response2510

Dept ID: 12001441

Attachments:

- 1-Description/Analysis
 - 2-Background
 - 3-SFD EMS Base Rates & Procedures
 - 4-SFD Ambulance Rate History
 - 5-Base Fee Comparisons
 - 6-Resolution
 - 7-Exhibit A (Current & Proposed SFD EMS Base Rates & Procedures)
 - 8-Exhibit B (SFD Ambulance Rate History)
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City Attorney Review

Approved as to Form
Lan Wang
6/20/2012 8:43:01 AM

Approvals/Acknowledgements

Department Director or Designee: Ray Jones - 6/12/2012 5:41:11 PM

Description/Analysis

Issue: Sacramento Fire Department (“SFD”) has ongoing requirements as a designated Sacramento County 911 transport agency to provide quality Emergency Medical Services (“EMS”) for the citizens in Sacramento and surrounding communities. SFD currently provides paramedic based pre-hospital care, the highest level available outside the hospital setting. Paramedic level service is available on all ambulances and first responding units including engines and trucks. The provision of EMS is available through funds collected for services rendered. Staff is recommending that EMS fees be adjusted to increase the recovery of the ongoing costs associated with the provision of Basic Life Support (“BLS”) and Advanced Life Support (“ALS”) for the citizens living and working in and around Sacramento.

Policy Considerations: The recommendations in this report are consistent with the City’s goal of promoting and supporting better quality of life, increased public safety and economic vitality. The proposed rate increase meets all the guidelines set forth by the City of Sacramento and is consistent with the City Council’s policy relative to cost recovery.

Environmental Considerations: This report concerns administrative activities that will not have a significant effect on the environment, and does not constitute a “project” as defined by the California Environmental Quality Act (CEQA) [CEQA Guidelines Section 15061 (b) (3); 15378 (b) (2)].

Sustainability: There are no sustainability considerations applicable to the recommendations proposed in the attached Resolution.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The SFD charge rates are approximately 22% below the standard rate of agencies in the surrounding areas. The last increase of fees and charges for EMS took place in 2009. As prices of materials, equipment, supplies and labor to operate and maintain EMS equipment continue to rise, the SFD charge rate does not address the increases in these expenses. As such, it is necessary for SFD fees and charges to reasonably cover the cost of conducting business.

Financial Considerations: When the ALS program was established, Council stated that City ambulance rates should be lower than other local providers given similar customer mixes and that rates cover the direct costs of providing the service without a General Fund subsidy. SFD proposes a \$240 increase in the base rate for all transport levels and a \$129 increase in the Medical Assessment Treated / No Transport rate which will increase cost recovery related to operating an EMS system within the City of Sacramento.

Based on current EMS workload, the proposed changes will allow SFD to increase cost recovery by approximately \$1.7 million per fiscal year to address the current structural variance between the cost of providing EMS and the recovery of those program costs. The structural variance includes the cost of uncollectible accounts receivable or bad debt. The existing variance is related to the increasing costs of providing EMS services including labor, medical supplies, pharmaceuticals, equipment and vehicle operation/maintenance costs.

Since inception of the program in 1994, the rates have only been raised six times. In July 1996, the rates were raised 4%; in July of 1998, the rates were raised 4%; in July 2003, the rates were raised 6%; in July of 2007, the rates were raised 28.4%; in January 2008, the rates were raised 32.9% and in July 2009 rates were increased 20% to offset the increase in operating costs. The effective annual increase of these rate increases are equivalent to 5.7% annually, far below inflation and increased medical costs during the same time frame. During the last ten years, the direct costs of operating the ALS program have increased over 100%.

The City's current ALS base rate is \$1,210.80 while the private provider's current ALS base rate is \$1,446.49. If we continue without raising the ALS rates to the recommended rate (21.9% increase), the program would lose \$8.75 million over the next five years. While the recommended increase does not completely close the structural variance, it moves recovery significantly closer to the direction of Council to maintain rates that cover the direct cost of providing EMS.

The current direct and indirect costs associated with the provision of these services are, and will continue to be greater than the revenues generated. Direct costs include: labor, supplies, equipment and vehicles. Indirect costs include items such as: dispatch services, training, as well as citywide support including but not limited to payroll, information technology, legal counsel, and other support services. The estimated additional revenue generated from the recommended fee increase will allow the City to further offset, but not totally cover, the costs associated with the provision of this service. SFD will continue to evaluate EMS program costs and cost recovery and may return at a later date with additional recommendations.

Proposition 26: The charges in the base rates for all transport levels and the Medical Assessment Treated / No Transport rate are not taxes under Proposition 26, as they fall under Exception 2, fees for government services. The proposed fees will cover SFD's reasonable cost of providing EMS.

Emerging Small Business Development (ESBD): There are no goods or services being purchased as a result of this proposed resolution.

BACKGROUND

Since 1994, the Sacramento Fire Department (“SFD”) has provided Emergency Medical Services (“EMS”) for both Advanced Life Support (“ALS”) and Basic Life Support (“BLS”) for citizens in Sacramento and surrounding communities. As a designated Sacramento County 911 transport agency, SFD has ongoing requirements to provide quality EMS.

EMS calls responded to by SFD results in four basic scenarios:

- 1) BLS Transports
- 2) ALS 1 Transports
- 3) ALS 2 Transports
- 4) Medical Assessment Treated / No Transport

The difference between the first three scenarios is the level of medical intervention provided to the patient based on their medical complaint/condition.

- BLS transports can be handled by either an Emergency Medical Technician (“EMT”) or Paramedic using only advanced first aid techniques and oxygen for the patient.
- ALS 1 transports are handled only by a paramedic using minimally invasive ALS skills like cardiac monitoring, intravenous (IV) lines, or controlled drugs for patient care.
- ALS 2 transports incorporates ALS 1 skills combined with more invasive procedures like orally placed tubes to help patient breath, bone drills to establish IV’s, or electrical shocks from a defibrillator to help pace a cardiac patient’s failing heart.

Medical Assessment Treated / No Transports occur for various reasons. The two main reasons are:

- 1) the patient during the assessment process subsequently decides that they do not want to be transported to the hospital by SFD; or
- 2) patient care is being transferred to another ambulance provider.

In both instances, SFD first responders are assessing and prepping the patient for transport. SFD first responding units are relied upon to start and maintain patient care until the ambulance arrives and in FY2011/12 this was the case 6,974 times.

At this time, the Medical Assessment Treated / No Transport fee will not be assessed to a patient when the patient is transported by SFD ambulances.



City of Sacramento
SFD EMS Base Rates & Procedures

BASE RATES		
	CURRENT	PROPOSED
BLS Rates	\$1,055.60	\$1295.60
ALS 1 Rates	\$1,210.80	\$1450.80
ALS 2 Rates	\$1,210.80	\$1450.80
Medical Assessment Treated / No Transport	\$96.00	\$225.00
Mileage	\$26.60	No Change
Night Charge	\$81.35	No Change
Oxygen	\$110.80	No Change
PROCEDURES		
CPAP *	\$150.00	No Change
Chest Decompression *	\$109.80	No Change
EKG Monitoring *	\$128.10	No Change
Cardioversion *	\$128.10	No Change
Defibrillation *	\$128.10	No Change
Intubation *	\$106.20	No Change
EZ Interosseous *	\$258.90	No Change
Needle Cricothyrotomy *	\$180.00	No Change
* Fees apply when used for ALS2 transports or Medical Assessment Treated / No Transport		



**City of Sacramento
SFD Ambulance Rate History**

Billing Schedule	FY95-96	FY97-98	FY99-03	FY04-07	FY08	CURRENT FY09	PROPOSED FY'12
BLS Rates	\$486.25	\$486.25	\$515.43	\$661.81	\$879.70	\$1,055.60	\$1295.60
ALS 1 Rates	\$536.25	\$557.70	\$591.15	\$759.05	\$1,008.96	\$1,210.80	\$1450.80
ALS 2 Rates	\$536.25	\$557.70	\$591.15	\$759.05	\$1,008.96	\$1,210.80	\$1450.80
Medical Assessment Treated / No Transport	\$60.00	\$60.00	\$64.20	\$64.20	\$80.00	\$96.00	\$225.00
Mileage	\$11.75	\$12.22	\$12.95	\$16.63	\$22.19	\$26.60	No change
Night Charge	\$53.38	\$59.31	\$65.90	\$73.21	\$81.35	\$81.35	No change
Oxygen	\$50.00	\$52.00	\$55.12	\$60.75	\$92.35	\$110.80	No change
EKG Monitoring	\$47.25	\$52.50	\$58.32	\$64.80	\$71.99	\$80.10	No change
PROCEDURES							
CPAP				N/A	N/A	\$150.00	No change
Chest Decompression				\$37.39	\$91.50	\$109.80	No change
EKG Monitoring				\$66.77	\$71.99	\$128.10	No change
Cardioversion				\$66.77	\$66.77	\$128.10	No change
Defibrillation				\$66.77	\$66.77	\$128.10	No change
Intubation				\$53.41	\$88.49	\$106.20	No change
EZ Interosseous				N/A	\$215.77	\$258.90	No change
Needle Cricothyrotomy				\$37.39	\$58.96	\$180.00	No change



City of Sacramento
Base Fee Comparisons of Local 911 Transport Providers

Base Rates for 911 Providers	SFD Current	Proposed FY'12	Cosumnes (1)	Folsom (2)	Sac Metro (3)	Sac AMR (4)	Average (1), (2), (3), (4)
BLS Rates	\$1,055.60	\$1,295.60	\$1,176.00	\$1,355.00	\$1,470.00	\$1,450.90	\$1,362.98
ALS 1 Rates	\$1,210.80	\$1,450.80	\$1,176.00	\$1,355.00	\$1,615.00	\$1,450.90	\$1,399.23
ALS 2 Rates	\$1,210.80	\$1,450.80	\$1,176.00	\$1,355.00	\$1,615.00	\$1,450.90	\$1,399.23
Medical assessment treated / no transport	\$96.00	\$225.00	\$225.00 pending	\$225.00 pending	\$275.58	N/A	\$241.86
Mileage	\$26.60	Unchanged	\$23.00	\$25.00	\$28.78	\$31.98	\$27.19
Night Charge	\$81.35	Unchanged	\$52.00	included	\$105.34	\$117.05	\$91.46
Oxygen	\$110.80	Unchanged	\$62.00	\$85.00	\$119.58	\$132.87	\$99.86

RESOLUTION NO.

Adopted by the Sacramento City Council

EMERGENCY MEDICAL SERVICE (“EMS”) FEES AND CHARGES ADJUSTMENTS

BACKGROUND

- A. Sacramento Fire Department (“SFD”) has ongoing requirements as a designated Sacramento County 911 transport agency to provide quality EMS for the citizens in Sacramento and surrounding communities. SFD currently provides paramedic based pre-hospital care, the highest level available outside the hospital setting. Paramedic level service is available on all ambulances and first responding units including engines and trucks.
- B. EMS calls results in four basic scenarios: 1) Basic Life Support (“BLS”) Transports, 2) Advanced Life Support (“ALS”) 1 Transports, 3) ALS 2 Transports, and 4) Medical Assessment Treated / No Transport.
- C. This public service is funded through cost recovery for EMS rendered.
- D. SFD proposes a \$240 increase in the base rate for all transport levels and a \$129 increase in the Medical Assessment Treated / No Transport rate which will increase the offset of costs of operating an EMS system within the City of Sacramento.
- E. These recommended changes will allow SFD to increase cost recovery by approximately \$1.7 million per fiscal to offset increased costs of providing EMS including labor, medical supplies, pharmaceuticals, equipment and vehicle operation/maintenance costs.
- F. The SFD EMS Base Rates & Procedures as outlined in Exhibit A are not taxes under Proposition 26, as they fall under Exception 2, fees for government services. The proposed fees will cover SFD’s reasonable cost of providing EMS.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City of Sacramento Fee and Charge report is amended to include the revised SFD EMS Base Rates & Procedures as outlined in Exhibit A effective July 1, 2012.
- Section 2. Exhibit A is part of this resolution.

Section 3. Authorize the City Manager to amend the FY2012/13 Approved Budget to reflect the change in revenues as proposed.

Table of Contents

EXHIBIT A	Current & Proposed SFD EMS Base Rates & Procedures
EXHIBIT B	SFD Ambulance Rate History



City of Sacramento
Exhibit A – Current & Proposed SFD EMS Base Rates & Procedures

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