



Contra
Costa
County

To: Contra Costa County Fire Protection District Board of Directors
From: Lewis T. Broschard III, Chief, Contra Costa Fire Protection District
Date: March 21, 2023

Subject: Emergency Ambulance Service Rate Schedule Revision

RECOMMENDATION(S):

1. OPEN the Public Hearing on Ordinance No. 2023-08, an ordinance authorizing the Contra Costa County Fire Protection District to increase its emergency ambulance service fees effective May 1, 2023.
2. RECEIVE testimony and CLOSE the public hearing.
3. ADOPT Ordinance No. 2023-08.

FISCAL IMPACT:

Revenue generating/cost recovery. This ordinance will allow the Contra Costa County Fire Protection District to recover the increased costs associated with the provision of emergency ambulance services in Emergency Response Areas (ERAs) 1, 2, and 5, within Contra Costa County, beginning May 1, 2023.

BACKGROUND:

The Emergency Ambulance Services contract (the "Ambulance Contract") between Contra

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|---|---|
| <input checked="" type="checkbox"/> APPROVE | <input type="checkbox"/> OTHER |
| <input checked="" type="checkbox"/> RECOMMENDATION OF CNTY
ADMINISTRATOR | <input type="checkbox"/> RECOMMENDATION OF BOARD
COMMITTEE |
-

Action of Board On: **03/21/2023** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

- A YE: John Gioia, Director
Candace Andersen, Director
Diane Burgis, Director
Ken Carlson, Director
Federal D. Glover, Director

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 21, 2023
, County Administrator and Clerk of the Board of Supervisors

Contact: Lewis T. Broschard III, Fire Chief (925) 941-3300 By: June McHuen, Deputy

cc:

Costa County and the Contra

BACKGROUND: (CONT'D)

Costa County Fire Protection District (District) establishes the rates the District is authorized to charge for providing emergency ambulance services.

The District currently charges Emergency Ambulance Services patients the following amounts: Emergency Ambulance Response Base Rate of \$2,700.95; Mileage Rate of \$65.29 for each mile traveled with a loaded patient; Oxygen Administration Charge of \$226.40; and Treat and Refused Transport fee of \$579.15. The District is not authorized to charge more or less than the rates specified in the Emergency Ambulance Services contract. The current rates became effective May 1, 2022.

Ambulance system costs include, but are not limited to, payments to the District's subcontractor American Medical Response West (AMR); billing service provider payments; acquisition of ambulance vehicles and equipment; dispatcher wages and benefits; administrative wages and benefits; system software and hardware upgrades; consulting fees; banking fees; and other costs. The largest cost driver in the ambulance system is payments to AMR. These payments to AMR account for over 80% of system costs.

The Emergency Ambulance Services contract between the District and AMR (the "Ambulance Subcontract") establishes the hourly ambulance unit rates the District pays AMR for providing emergency ambulance services. The Ambulance Subcontract requires the hourly rates paid by the District to AMR to increase annually. Beginning May 1, 2021, and on each May 1 thereafter, the unit hour rates will increase will by the greater of (i) the percentage increase in CPI, and (ii) three percent (3%).

Factors that impact transport collections include transport volume, services provided (e.g., mileage and oxygen), payer mix, payment caps, and potential changes to the Affordable Care Act and other relevant legislation. Commercial payers will mainly pay the increased rates, while factors such as payment caps for Medicare and Medi-Cal will limit the transport collection for those payers. Therefore, in order for the AMR ambulance unit hour rate increase to be cost neutral, the rates charged by the District for ambulance services must increase by an amount greater than the CPI.

The Ambulance Contract requires the Contra Costa County EMS Agency to approve annual increases to the Service Rate Schedule when requested by the District. The Ambulance Contract allows for the preceding year's rates to be increased annually by the greater of five percent (5%), or the average CPI for the most recent and available three-year period, divided by the following: the average dollar amount received by the District from non-public payers for the most recent three-year billing period (excluding billings that are less than six months old) divided by the average dollar amount received by the District from all payers for the most recent three-year billing period (excluding billings that are less than six months old), provided that no such increase shall exceed nine percent (9%).

Applying a 6.21% increase to the Service Rate Schedule results in the following rates: Emergency Ambulance Response Base Rate of \$2,868.68; Mileage Rate of \$69.34 for each mile traveled with a loaded patient; Oxygen Administration Charge of \$240.46; and Treat and Refused Transport fee of \$615.12.

If approved by the District Board of Directors, Ordinance No. 2023-08 would increase the Emergency Ambulance Service Rate Schedule effective May 1, 2023, the same date as the scheduled AMR unit hour rate increase.

CONSEQUENCE OF NEGATIVE ACTION:

If Ordinance No. 2023-08 is not adopted, the District will not be able to recover the increased costs of providing emergency ambulance services under its contracts with the County and AMR.

CHILDREN'S IMPACT STATEMENT:

Approximately 10% of emergency medical service responses involve children under the age of 15.

CLERK'S ADDENDUM

Speaker: Caller 1.

ATTACHMENTS

Ordinance 2023-08