



CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: J Kevin Nalder, Director Fire and Building Department
Date: July 23, 2010
Subject: Emergency Medical Transport Fee Study

Recommendation:

City Council receives the consultant report regarding the implementation of a user fee for medical transport and provides direction to staff to conduct further study and/or to prepare an implementation plan and ordinance for adoption.

Background Discussion:

In an effort to bridge the growing gap between City revenue and expenditures, Council requested that each department look for potential revenue sources. In September, 2009, staff presented to the Public Safety Committee, a proposal outlining the feasibility of collecting a user fee for emergency medical transports. Over the next few months, in response to committee questions, additional data and information was provided to the Public Safety Committee. A presentation on the feasibility of a transport fee revenue source was also made to the Finance Committee in February 2010. At the March 16, 2010 Council meeting staff recommended that the City hires a third party consulting firm to provide a complete, thorough, and unbiased analysis of a Medical Transport Fee Program for the City of Kirkland. The City Council approved the recommendation and funding. Management Partners Inc. (MPI) had recently been hired by the City of Renton to perform a Medical Transport Fee analysis. Therefore, MPI was recommended as the preferred consulting firm to perform the analysis in an effort to save costs, expedite the turnaround time of the study, and utilize data that had been collected in our region already.

Scope and Process of Study

Management Partners Inc. outlined five activities as the approach to the user fee for medical transport study.

- **Activity 1 "Start Project"** began with a careful listening phase designed to identify and clarify the desired outcomes of the project. Staff assembled a committee of stakeholders to meet with Management Partners to accomplish activity 1. The committee consisted of the Assistant City Manager, Finance Director, Finance Budget Analyst, Fire Chief, Deputy Fire Chief, Battalion Chief and Lieutenant who oversee our fire department Emergency Medical Service (EMS) committee, Local 2545 President and

Vice President.

- **Activity 2 “Collect and Analyze Data”** was a cooperative effort with the involvement of City staff providing information and data to Management Partners regarding the City's fire and EMS operations, incident response data, annual budget, operating policies and procedures, performance reports and other pertinent documents. This information and data was utilized in order to analyze the composition of the workload and identify specific costs included in major service categories.
- **Activity 3 “Research Best Practices”** involved gathering data and experiences from Washington cities that have successfully developed and adopted new EMS user fees. In addition to collecting quantitative data regarding the fees and revenues generated, focus was given to significant issues and challenges from their experiences.
- **Activity 4 “Report Results”** - A draft report was provided by Management Partners for review and clarification of the information and data. A copy was provided to each of the committee members, allowing them to provide feedback. Following a review of the draft report, Management Partners made the necessary revisions and produced the final report.
- **Activity 5 “Support Implementation”** – Management Partners provided in the report recommendations for implementation and appendices of tools to assist with the implementation process.

Summary of Report

Medical transport fees are charged, by fire department across the nation, who transports patients to the hospital, to help recover a portion of the cost to provide emergency medical service to the community. The revenue generated is obtained by capturing payments from medical insurance companies rather than raising taxes in order to provide quality emergency medical service.

While Management Partners’ report is not intended as a prescription to adopt emergency medical transport fees, it does provide an estimate of the potential revenue from implementing such a fee. MPI projected the annual net revenue to the City of Kirkland through assessment of these fees at about \$ 1 million dollars. Annexation will have an impact on the revenues projected in the report. The areas outside of Fire District 41, that are part of the annexation, will add an estimated 700 calls for service to the Kirkland Fire Department. While there is not sufficient data to anticipate how many of those calls will require medical transport, there will be additional revenue recognized that was not addressed in the report.

The recommendation of the department’s management has been and continues to be that the City begin to collect the medical transport fees primarily from the medical insurance companies which include this as a covered service and for which the patients are paying medical insurance premiums. Further, the City should write-off both the portion of the fee charged that the patient would be responsible for and the entire fee charged to those patients without medical insurance. This may reduce the amount of revenue projected by Management Partners. However, it would have a major positive impact on the firefighter and community support of the fee proposal by alleviating the concern of the financial burden on the patient and an excuse to

not call 911 for help. A collection and write-off policy would need to be developed. To additionally alleviate firefighter and community concerns, as mentioned in the report, the revenues generated from these fees should be utilized to maintain the current level of service. Also, revenue generated from transport fees, above that which is necessary to maintain the current level of service, should be utilized to facilitate reducing EMS response times. These concerns are also core goals of the City Council. If we were not to collect these user fees there will be a large impact on the current general fund in order to accomplish either of these goals.

MPI outlined in the report some advantages and disadvantages of initiating EMS transport fees. The department recommendations mentioned, coupled with a good communication plan to the public, should alleviate these perceptions. The department has applied for a grant along with the City of Redmond to subsidize the purchase of tablet PC's to be utilized to capture patient information. This technology reduces some of the workload identified by the fire crews especially, if agreements can be made with the hospitals to enter that information in the electronic document that the fire crews provide to them upon delivery of the patient to the hospital. Often patients are unable to answer those questions due to their medical condition and the fire crews would have to wait for a family member to provide the billing information.

Much planning will need to occur when addressing implementation considerations. The City will need to hire staff to administer the program. RFP's will need to be developed to subcontract a third party billing contractor as recommended by MPI. A communication plan will need to be developed. Operating policies and procedures must be identified. Management will need to bargain with labor the impacts to the firefighters. Time frames will need to be established to accomplish a successful implementation.

The report states in the conclusion that "EMS services has overtaken fire suppression as the top priority." For the record, as Fire Chief for the City of Kirkland, and on behalf of our firefighters, rest assured that we prioritize every call that we respond to equally, regardless of type of incident or magnitude of call.

Staff Recommendation

Staff recommends that the City Council provide direction to staff to draft an ordinance for Council consideration. City staff will also need to work together and draft a detailed implementation plan and communication plan. These plans should include staffing recommendations, projected costs, billing policies, operational policies and procedures, sustainability, FAQ's, training outlines, and timelines.

CITY OF KIRKLAND
EMS FEE ANALYSIS

July 2010



MANAGEMENT PARTNERS
INCORPORATED



MANAGEMENT PARTNERS

INCORPORATED

July 23, 2010

Mr. Kevin Nalder
Director, Fire and Building Department
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033

Dear Chief Nalder:

Management Partners is pleased to submit this report that analyzes the pros and cons of implementing new emergency medical service (EMS) user fees. As you know, implementation of EMS user fees is a significant policy decision that requires careful deliberation. It is the goal of this report to present unbiased information that will help direct that decision.

We presented a draft of this report to the City in early July and this report has been revised based on the input received.

Management Partners has designed the report as a guide to the advantages and disadvantages of implementing a basic life support (BLS) transport fee in Kirkland. The report projects the potential revenues that could be used to help the City mitigate the impacts of reduced general fund revenues and also conveys a variety of arguments for and against implementation.

We appreciate the assistance of your staff during the project. Staff from the City Manager's Office, the Finance Department, and the Fire Department all participated in this effort. I want to extend our appreciation especially to Deputy Chief Jack Henderson who responded to our requests for departmental operations data and other information.

Sincerely,

Gerald Newfarmer
President and CEO

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND	4
PROJECT APPROACH	9
DATA AND DOCUMENT REVIEW.....	9
PEER AGENCY SURVEY.....	9
FIRE/EMS USER FEES	11
ADVANTAGES AND DISADVANTAGES OF INITIATING EMS TRANSPORT FEES	16
ESTIMATED REVENUE FROM NEW FEE	18
REVENUE PROJECTION ASSUMPTIONS.....	19
EMS FEE IMPLEMENTATION AND ADMINISTRATION	21
CONCLUSION	22
APPENDIX 1 – SAMPLE BILLING AND COLLECTION REQUEST FOR PROPOSALS	24
APPENDIX 2 – SNOHOMISH COUNTY FIRE DISTRICT #1(SCFD1) EMS POLICY	25
APPENDIX 3 – SCFD 1 REIMBURSEMENT POLICY	28
APPENDIX 4 – MAPLE VALLEY FIRE DISTRICT PATIENT INFORMATION AND BILLING FORM	31
APPENDIX 5 -- MAPLE VALLEY TRANSPORT FEE BILLING AND COLLECTION ADMINISTRATIVE GUIDE	35
APPENDIX 6 – EDMONDS FIRE DEPARTMENT FINANCIAL ASSISTANCE POLICY	36
APPENDIX 7 -- EDMONDS EMS TRANSPORT DRAFT STANDARD OPERATING PROCEDURE	42
APPENDIX 8 – EDMONDS EMS TRANSPORT FEE ORDINANCE	46
APPENDIX 9 – EDMONDS FREQUENTLY ASKED QUESTIONS	53
APPENDIX 10 –EDMONDS EMS TRANSPORT BILLING PROCEDURES	60
APPENDIX 11 -- EDMONDS EMS TRANSPORT BILLING PROCEDURES STANDARD OPERATING PROCEDURE	72
APPENDIX 12 – EMS REQUIRED BILLING ITEMS	74
APPENDIX 13 – PREPARING FOR EMS BILLING CHECKLIST	75
APPENDIX 14 – CLASSES OF USERS	76

EXECUTIVE SUMMARY

The City of Kirkland engaged Management Partners to evaluate the costs and benefits of initiating basic life support (BLS) transport fees as part of emergency medical service (EMS) operations. EMS fees for service are increasingly being used by cities in Washington State and throughout the nation to recover EMS costs from insurance companies and users of the service. Although these fees impose an added cost on a service previously covered by tax revenues, they can provide substantial and stable financial support for EMS operations in an era of diminishing tax revenues.

Nationwide, cities are faced with taking actions to prevent projected structural deficits in their general funds. These actions usually entail increasing revenues, decreasing expenditures and services, or a combination of both. Over the past five years, the City of Kirkland has experienced steadily increasing general fund expenditures despite service level reductions city-wide. At the same time, general fund revenues have not kept pace. While these trends are often subject to volatile economic factors, it is a best practice to enact financial policies designed to absorb external shocks, such as the most recent recession. One such policy is to implement user fees for certain services.

The nature of fire services has changed substantially over the last 50 years. As a result of new construction technology and modern fire codes, the number of structural fires has declined dramatically. While in the past, structural fires represented approximately 80% of the typical fire department's calls for service, emergency medical calls now represent a clear majority. Fire departments that were designed operationally and financially a hundred or more years ago must adjust to new realities. For example, in the last fiscal year only 4% of the calls for service to the Kirkland Fire Department were for reported fires. Conversely, the number of EMS calls for service represented 70% of the incidents reported. The remaining 26% of calls consisted of automatic false alarms, false calls, hazardous conditions and materials, service calls, and technical and water rescue calls.

Throughout the country, fire departments have developed new strategic plans to respond to these changing operational and financial elements of the business. Many have added specialized EMS equipment and training to respond more effectively to the changing nature of their mission.

Implementing user fees to recover a portion of the cost of EMS service is a strategy that has been adopted by many departments to respond to increased operational costs despite sluggish general fund revenue growth. These fees are based on the philosophy of funding services for the "public good" (those benefiting everyone), with broad general taxes and "private good" services (those benefiting specific users) with appropriate user fees. When applied to fire department services this type of analysis implies that fire prevention and suppression, which are property-related services, supply a public good (because, among other things, fires can spread from the point of origin), and should be a high priority for property tax funding. On the other hand, EMS services provide more of an individual benefit. As a result, general taxes continue to provide the vast majority of funding for fire station equipment and staffing, while fee revenues can provide specific equipment and training for emergency medical services. The costs of the latter are spread among users of the service, including nonresidents.

The bulk of the revenue generated by EMS user fees comes from users whose insurance policies cover the cost of these fees. Conversely, agencies that adopt these fees usually struggle to collect from users who are not insured. Agencies can choose how aggressively they pursue collection from uninsured users. For example, the policy of the Maple Valley Fire and Life Safety District states that no patients will be sent to collections due to their inability to pay and no patient will be denied BLS transport services. As a policy matter, the City of Kirkland may decide that collection from insured users is the top priority, while collection from uninsured users is less crucial.

EMS user fees could potentially offset a small part of the growing gap between revenues and general fund expenditures facing the City of Kirkland. The majority of these fees will be paid by insurance companies covering individuals receiving the services. Additionally, a small portion of the revenues will be collected from nonresidents who have not contributed general taxes to support Kirkland's services.

While this report is not intended as a prescription for the City to adopt BLS transport fees, Management Partners calculated reasonable fee amounts in order to project potential revenue. We utilized \$600 as a base rate for BLS transports with a \$14 per mile charge. These estimations are based on Management Partners' current peer city research as well as our experience consulting with hundreds of local governments. If adopted by Kirkland, these fees would generate approximately \$1 million in annual net revenues. (This projection accounts for service calls to Kirkland's Fire District 41.) The revenues could help insulate the City from future structural deficits and could help to preclude service reductions. Depending on the fire department's future financial health, the funds could be used to maintain existing fire service levels or increase staffing of aid units. Increased staffing would improve response times and help the fire department come closer to meeting the response time goals designated in the strategic plan.

Generally, the largest costs associated with implementation of EMS user fees come from billing and collection services, regardless of whether these services are contracted or conducted in-house. In an effort to mitigate these potential costs, Kirkland fire staff has begun researching the possibility of working with local hospitals to streamline information collection. These hospitals are likely to be better equipped to collect the patient's insurance and billing information. Even if an agreement can be made with the hospitals, an additional administrative staff person will still be necessary and there still might be a need to contract collection services.

While this potential revenue could certainly be put to good use, it does not come without drawbacks. Some residents may react negatively to the prospect of added fees. Regardless of whether these reactions are justified, some cities have found that implementation of EMS user fees can lead community members to resist the fees and criticize the City. The potential for frustration from new fees may be particularly acute given the current economic climate. Furthermore, Kirkland's fire fighters have expressed a variety of objections to implementing these fees. Fire fighters expressed a great deal of pride in their ability to provide high quality emergency services to Kirkland residents without imposing an additional fee on top of current tax levels. Other salient concerns among fire fighters include the threat that such a fee might discourage the public from calling 911, and the additional workload that would be imposed on fire staff. These concerns are based on the perceptions of the fire fighters, while the data gathered for this report is inconclusive as to the validity of these concerns.

BACKGROUND

The City of Kirkland, like most cities and businesses affected by the current economic environment, is examining a variety of strategies to maintain a balanced budget and sustain long-term fiscal health. One potential opportunity is to increase revenues through the use of fees charged to the users of services rather than imposing new or increased taxes.

The City engaged Management Partners to evaluate the costs and benefits of initiating basic life support transport fees as part of emergency medical service operations. This report identifies advantages and disadvantages of adopting such fees. The report avoids prescriptive recommendations in order to maintain an unbiased examination.

The Kirkland Fire Department operates six aid cars, four engines, one battalion, one air unit, and one ladder truck out of six stations (five “full-time” stations and one reserve). The equipment and staffing for these vehicles are costly and these costs will likely increase in the near future. The adoption of user fees could help to mitigate these costs and ensure that the Fire Department can continue to maintain this equipment at a high level and staff it adequately.

In a memorandum dated June 5, 2010, Kirkland Fire Department executives alerted the Interim City Manager that the department has been forced to use an unsustainable portion of its overtime budget to maintain daily minimum staffing levels. Due to the compound effect of both unscheduled leave as well as staff vacancies, the department is projected to exhaust its entire overtime budget by October 15, 2010. Projections indicate that the budget will be exceeded by over \$200,000. Staff presented three potential solutions to the City Council: operate below minimum staffing, augment the overtime budget, or hire additional staff. The revenues generated by a BLS transport fee could potentially alleviate this financial burden.

The department provides services to a total population of about 72,000, which includes services for Kirkland’s Fire District 41. Beginning mid-year in 2011, Kirkland Fire will also annex 9.1% of Woodinville Fire and Safety’s Fire District 36 and a minor portion of Redmond’s Fire District 34. In 2009, the department reported 7,320 dispatched incidents. Emergency medical services represented 70% of these call for service.

The 2010 budget is \$15,270,290 and includes 94 full-time equivalent employees (FTEs). The department currently provides BLS transport, while advanced life support (ALS) services and transport is provided by King County Medic One.

Figure 1 below shows a five year history of actual general fund revenues and expenditures. Like many cities nationwide, expenditures have increased steadily over the past five years, while growth in revenues has been less consistent. Since 2008, total expenditures have outpaced total revenues, and this trend is expected to continue. The volatility of general fund revenues could result from numerous economic factors and may not represent serious reason for concern. Nevertheless, these trends should not be ignored and may require future action to increase revenues and/or decrease projected expenses. These actions are not only important as a means to ensure a balanced general fund but also to maintain an adequate fund balance. The challenge is to make these changes without substantially reducing high priority services and at the same time minimizing tax increases during the economic downturn.

FIGURE 1: CITY OF KIRKLAND FIVE-YEAR GENERAL FUND HISTORY

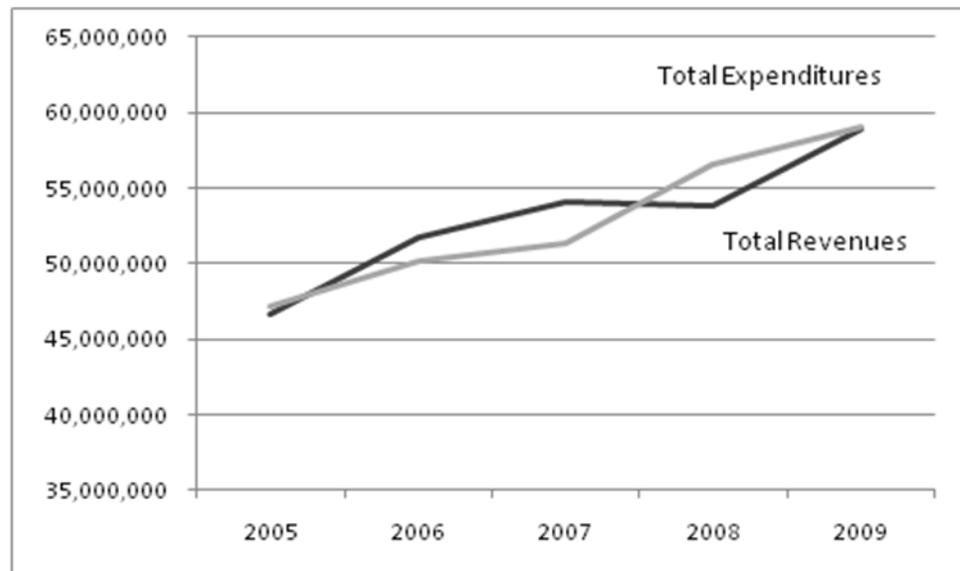
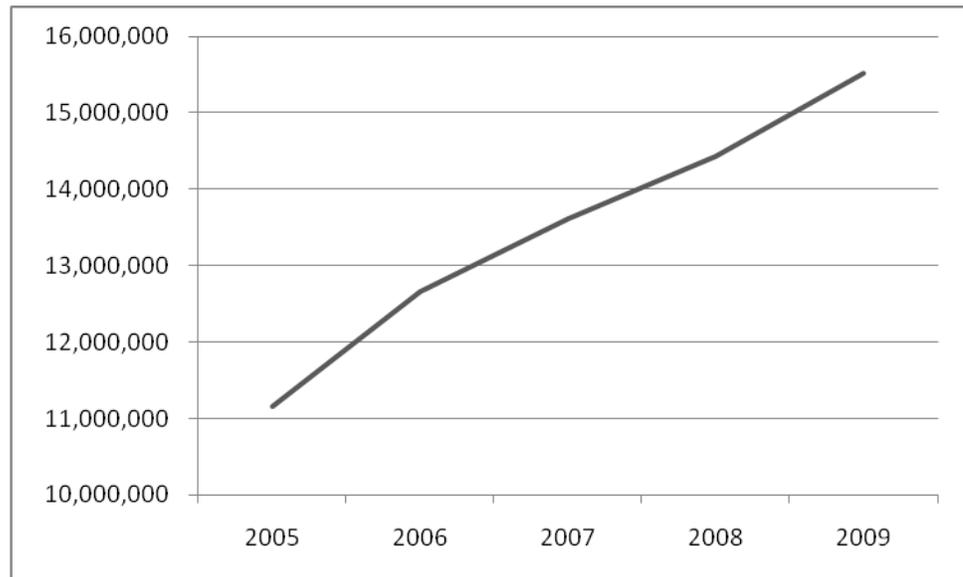


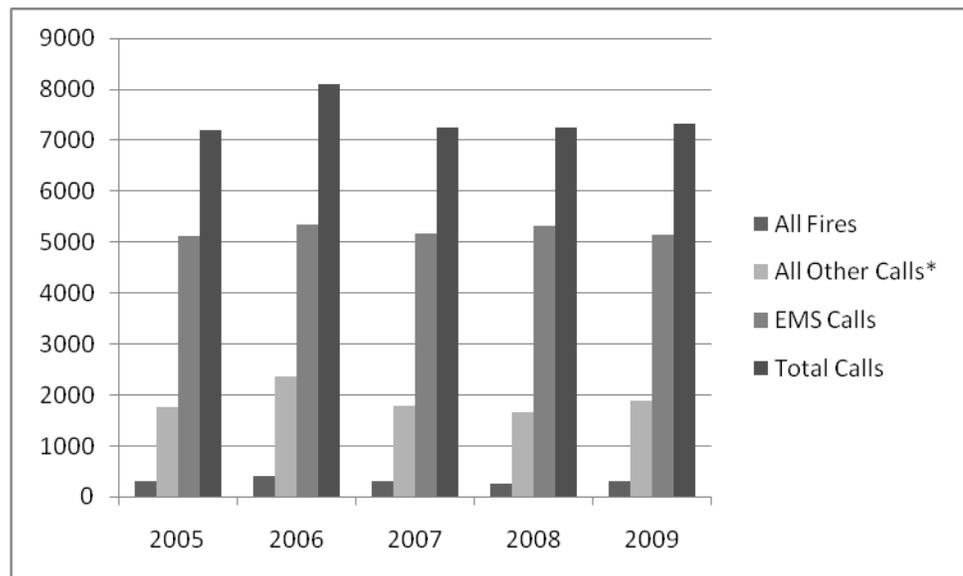
Figure 2 shows the increasing growth in Fire Department actual expenditures during the last five years. This increase was both consistent and substantial between 2005 and 2009. For the entire period, the average annual percentage increase in operating expenditures is about 7%. Taken in conjunction with Figure 1, the trend of increased fire expenditures indicates that the City of Kirkland will face difficult budget decisions in the near future.

FIGURE 2: KIRKLAND FIRE OPERATING EXPENDITURES



Furthermore, the growth in department expenditures has occurred over a five-year period where incident response workload (Figure 3) has remained static. Together, these trends indicate that the costs for providing the quality service that the residents of Kirkland have come to expect will continue to increase.

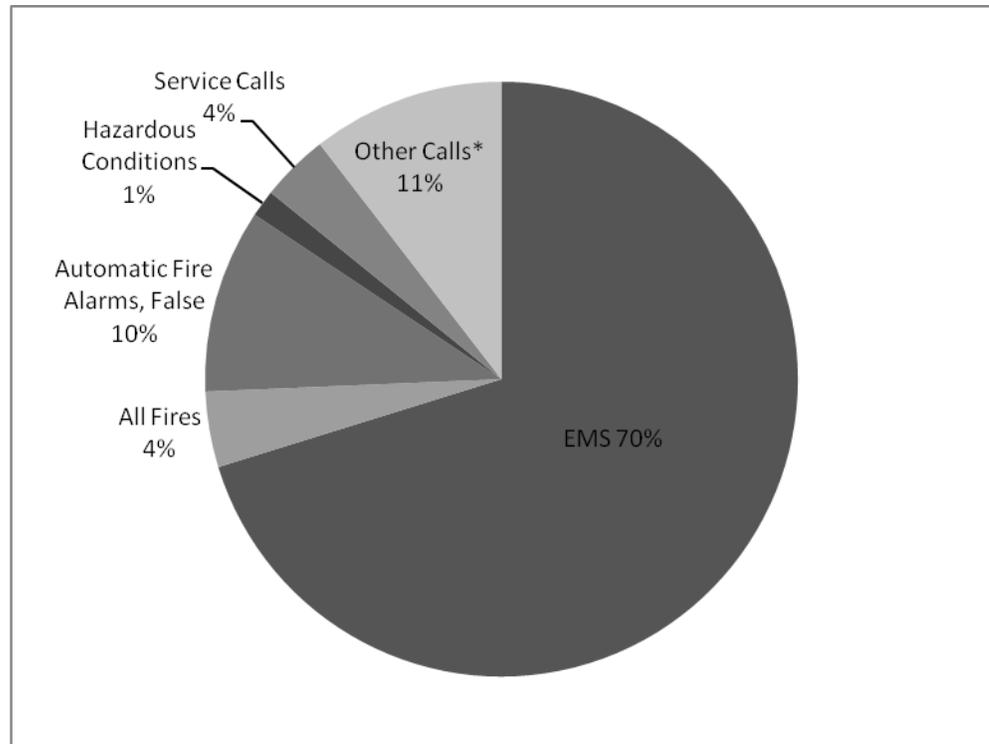
FIGURE 3: KIRKLAND FIRE FIVE-YEAR HISTORY OF CALLS FOR SERVICE



*Includes false calls, hazardous conditions, service calls, technical rescue, water rescue and hazardous materials.

As illustrated in Figure 4 below, fires represented only 4% of the reported incidents in 2009. Like fire departments everywhere, the Kirkland department's mission has shifted away from primarily providing fire suppression to a much greater need for emergency medical services. As a result of this change, overall costs have continued to increase primarily because of shorter response time standards related to emergency medical response and rising equipment costs.

FIGURE 4: KIRKLAND FIRE 2009 CALLS FOR SERVICE BY PERCENT



*Includes water rescue, technical rescue, and hazardous materials calls

The result of these changes in mission and the nature of the call load have dramatically reduced the annual cost of responding to fires. At the same time, the cost of emergency medical service has increased. These changes have required departments to reexamine the traditional approach to funding fire services and to increase the use of user fees to supplement property and other general purpose taxes.

The president of the International Association of Fire Chiefs (IAFC) Larry J. Grorud, reflected this trend in an April 14, 2009 news release on the International Association of Fire Chief's website: *"In today's chaotic economic environment governments and their fire departments are facing declining tax bases and resources while trying to maintain timely and high-quality emergency responses to their constituents. The IAFC is working to raise awareness about cost recovery..."* The evolution from a fire suppression focus to a medical focus has prompted a reevaluation of the means used to fund fire department services.

In the past, property tax was used to fund 100% of fire department operations. This made sense since the portion of taxes provided to the fire department was directly related to the value of property and the services intended to protect that property. In today's environment it is still necessary to use property and other general purpose taxes to pay for the fire suppression and emergency response infrastructure that includes stations, vehicles, and basic staffing. However, many departments throughout the State of Washington and the nation are now supplementing property and other general purpose taxes with user fees, which are intended to recover part of the cost of providing emergency medical services. Because of this change in fire service mission and the restrictions on tax revenues imposed by the state, many fire departments view property and other general purpose taxes paid to the general fund as a basis of support similar to a capacity charge for utilities.

An unavoidable result of a greater focus on emergency medical services is an increased need for additional equipment, training and certification for EMTs (all of which result in increased costs). One option used to recover some of these costs is to adopt user fees for EMS (and sometimes for other specific services as well). In most cases the EMS fees are covered by insurance policies from those receiving the services.

EMS users pay for the services they use in addition to tax revenues. This is a typical and often-used philosophy, "Those who use more pay more." Nevertheless, the growing prevalence of this philosophy does not guarantee that it is the right approach for all fire departments. Rather, each fire department faces unique challenges both in terms of budget and operations. User fees are only one way to maintain service levels in the face of rising costs and shrinking revenues. If the Kirkland Fire Department can continue to provide a high level of service to the public without imposing additional fees, it is undoubtedly a superior option both for the public and the department.

Kirkland fire fighters have conveyed a strong sense of pride in their ability to provide top notch services without imposing user fees. The value of such pride contributes to the strength of the fire organization and the community as a whole.

PROJECT APPROACH

Management Partners used a variety of analytical techniques to evaluate the costs and benefits of implementing EMS transport fees in Kirkland. Our research enabled our consulting team to understand the operating and financial environment of the department and enabled us to project revenues that might result from implementing EMS fees.

Data and Document Review

Management Partners began by reviewing data requested from the department about its operations. In addition to analyzing the financial health of the department, incident response data from the past five years was carefully reviewed to provide information about the nature and frequency of the department's emergency transports.

Peer Agency Survey

Management Partners compared key operating statistics of the Kirkland Fire Department with six agencies of similar size and demographic composition:

- City of Everett
- Maple Valley Fire and Life Safety
- City of Redmond
- City of Renton
- South King Fire and Rescue
- Valley Regional Fire Authority

Data related to call response workload, budget and staffing, user fee implementation, billing and collection procedures, collection rates and operating procedures were collected for each peer agency.

As requested by fire fighters, three of the agencies surveyed (Redmond, Renton, and South King Fire and Rescue) do not charge EMS transport fees. For those three agencies we identified best practices and key elements that would facilitate Kirkland's successful implementation of such a program. Perhaps the most important comparative data relate to the collection rates for user fees billed by each agency. Because of the complexities of the medical reimbursement field, collection rates are

generally one of the most important variables in determining net revenues from proposed user fees.

For agencies that do not impose EMS transport fees, we analyzed financial health, incident response statistics and other indicators related to the provision of emergency services. Kirkland fire fighters specifically requested that we survey an agency that considered the fees, but decided against implementation. The City of Renton is such an agency and this report includes a discussion about their decision making process and the results of that decision.

FIRE/EMS USER FEES

As previously noted in this report, the use of fire and EMS user fees has grown both nationally and in Washington State. EMS transport fees are charged by first response agencies that provide basic and advanced life support services as well as transport to hospitals. These fees are quite common and are intended to recover a portion of the cost for services rendered during an emergency medical response.

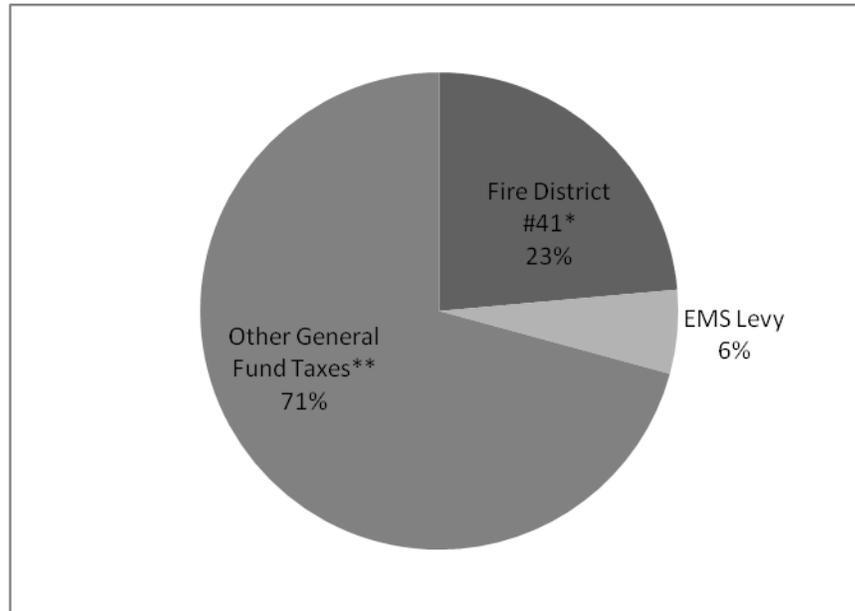
In the State of Washington, cities have access to a variety of finance mechanisms to support emergency medical services. They can be financed through a city's general property tax levy (as traditional fire suppression services have been supported) or a city can submit special EMS property tax levies to the voters for their approval. Some cities have established ambulance utilities. Cities are also authorized to charge user fees for EMS services, as currently being considered by the City of Kirkland.

Although EMS user fees are common throughout the state, King County represents a unique situation because the County has imposed a levy that covers the entire cost of County Medic One advanced life support (ALS) services and provides some financial support for EMS in each city in King County. While the levy completely covers the cost of ALS services, it does not cover the cost of BLS services and transports. Therefore, EMS user fees in King County are generally limited to BLS transports.

Because no user fees are charged for emergency calls requiring Medic One ALS services, cities and fire districts in King County have been slow to adopt fees for BLS transports that would support their own EMS operations. In contrast, virtually all of the emergency medical service providers in Snohomish County charge BLS or ALS transport user fees. There are 23 agencies in Snohomish County that currently charge such fees.

Figure 5 shows the current revenue sources that support the FY 2009/10 Fire Division budget of \$15,270,290. The King County Medic One levy only accounts for about 6% of operating costs.

FIGURE 5: KIRKLAND FIRE REVENUE SOURCES



* Upon annexation there will no longer be revenues from Fire District #41.

** Other general fund taxes cover fire service expenditures not covered by direct fire service revenues.

The change in focus from fire suppression to medical aid supports a shift in the rationale for financing department operations from primarily property related taxes to a combination of property and other general purpose taxes and user fees. Property taxes are appropriate for funding the basic response capacity of the department, while user fees are appropriate for services that are provided to individuals rather than the broader community. The impact of these fees on users is reduced somewhat since most residents are covered by insurance policies that provide coverage for ambulance transport. Since the EMS fees are charged to the individuals using the service rather than paid through property and other general purpose taxes, a portion of the revenue derived from the fee will be paid by nonresidents requiring medical services while visiting or traveling through Kirkland.

An important part of this report includes a review and analysis of comparison data from peer fire agencies that currently charge a BLS transport fee as well as information from agencies that do not. Table 1 shows staffing and budget comparisons for Kirkland and all six peer agencies. Kirkland's fire expenditures per capita and staffing per capita are in line with the averages for this group of peers.

TABLE 1: STAFFING AND BUDGET PEER COMPARISONS FY 2009/10

Agency	Population Served	Fire FTEs	Fire FTEs per 1,000 served	Fire Budget	Fire Budget per Capita
Everett	100,000	143	1.43	\$19,576,534	\$195.77
Renton	115,950	152	1.31	\$21,827,109	\$188.25
Maple Valley Fire and Life Safety	45,000	50*	1.11	\$8,100,000	\$180.00
Redmond	71,890	172	2.39	\$33,466,859	\$465.53
Valley Regional Fire Authority	70,000	120	1.71	\$18,662,234	\$266.60
South King Fire and Rescue	165,000	160**	0.97	\$23,248,772	\$140.90
Peer Average			1.49		\$239.51
Kirkland	72,000	94	1.31	\$15,270,290	\$212.09

*Maple Valley receives additional support from 36 volunteer fire fighters

**South King receives additional support from 10 volunteers in non fire fighting capacities

Redmond's budget per capita is considerably higher than the other peers due in part to its larger staff. Eighteen Redmond firefighters are funded through a 2007 Fire Levy Fund, and three deputy fire marshals and one administrative assistant are funded through the Microsoft Development Fund. Additionally, the City reaps substantial tax benefits from the Microsoft Corporation, which is located in Redmond. In fact, per capita general fund revenues for the City of Redmond (\$1,975) are more than double those of Kirkland (\$787). Within this group of agencies, the second highest per capita general fund revenues are found in Everett at \$1,075 per capita, almost \$1,000 less than Redmond! Redmond is also a lead agency in the Medic One program in Northeast King County. As a result, Redmond receives funding to staff additional paramedics in order to provide ALS support to Kirkland, Woodinville, Duvall and Redmond.

Table 2 shows the current BLS base transport fees by the peer agencies currently charging user fees for this service.

TABLE 2: BLS BASE TRANSPORT FEES FOR APPLICABLE PEER AGENCIES

Agency	Number of BLS Billings in 2009	Base Rate	Mileage Rate
Everett*		\$488.30	\$15.42/mile
Maple Valley	904	\$655.65	\$13.12/mile
VRFA	699	\$704.06	\$14.45/mile

*Everett did not provide number of BLS billings

For comparison with the private sector, Table 3 provides the base BLS transport fees charged by three private-sector ambulance companies that operate in King County. The data from Tables 2 and 3 provided a range

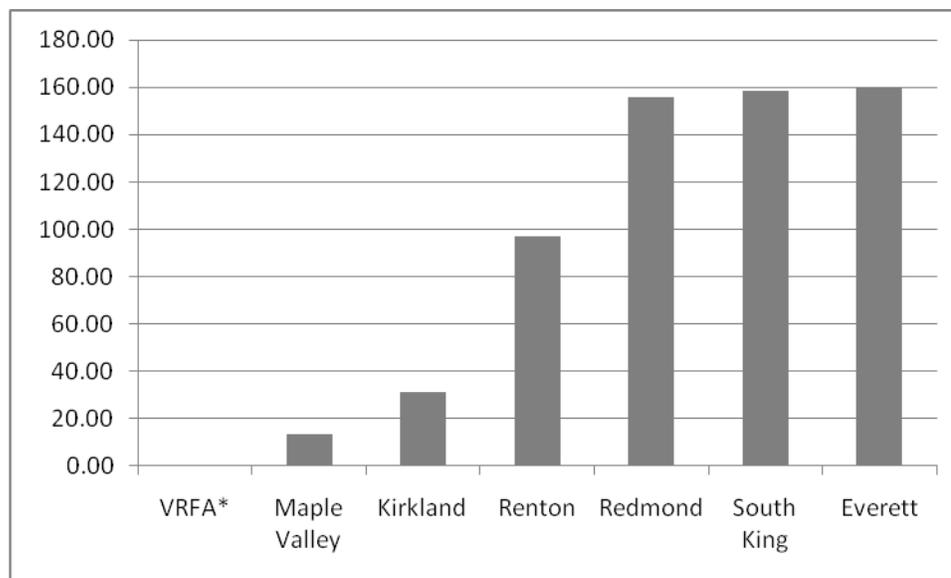
of BLS transport rates from which we calculated average market rates of about \$650 dollars for the base fee and about \$15 per mile. This information was a critical factor in our calculation of estimated BLS transport fees for Kirkland. These estimates were used to project potential revenues for the City of Kirkland, as detailed later in this report.

TABLE 3: BLS TRANSPORT FEES OF PRIVATE PROVIDERS

Agency	Base Rate	Mileage Rate
AMR	\$832	\$19.12/mile
Rural Metro	\$700	\$15.00/mile
TriMed	\$550	\$14.17/mile

The data gathered from agencies that do not charge EMS user fees proved equally pertinent. Figure 6 compares EMS calls per 1,000 residents for all of the peer agencies.

FIGURE 6: PEER COMPARISON OF EMS CALLS PER 1,000 RESIDENTS

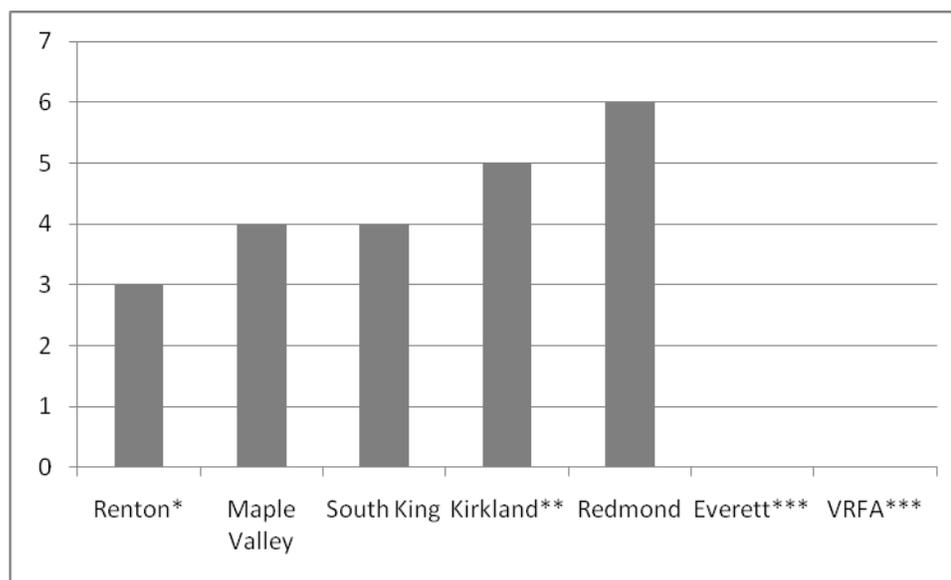


* VRFA did not provide data

Based on these data, there does not appear to be a solid correlation between charging user fees for EMS calls and a reduced number of emergency calls. However, the data do not provide any notable correlations between the frequency of 911 calls and EMS fees. This data is inconclusive and neither proves nor refutes the perception that imposing an EMS user fee might discourage some people from calling 911.

Figure 7 shows a comparison of the number of BLS aid units used by each peer agency.

FIGURE 7: PEER COMPARISON OF FULL TIME, IN SERVICE BLS AID UNITS



*Renton has 4 aid units but only staffs 3

**Kirkland has a 6th aid unit that is only staffed at night by reserve fire fighters and does not transport

***Everett and VRFA did not provide data

Kirkland operates the second most BLS aid units among the peer agencies (both those who charge and those who do not). Despite having more aid units than three of the peers, Kirkland Fire's current operating expenditures are in line with the average for these agencies (Table 1). Nevertheless, shrinking general fund revenues (Figure 1) could potentially limit Kirkland's ability to continue to fully staff all five units.

As indicated previously, Kirkland fire fighters specifically requested that we research an agency that had considered implementation of a BLS transport user fee, but decided against adoption. The City of Renton provides a relevant case study. The City of Renton has a strong mayor form of government and therefore reflects a somewhat different political landscape than does the City of Kirkland. The relevance of this difference is that the mayor in Renton has a more active role in policy decisions like this one. Otherwise, the agencies are generally comparable peers. Renton's per capita fire costs are quite similar to Kirkland's, as indicated in Table 1.

In September 2009, Management Partners provided Renton with a detailed EMS fee analysis that recommended adoption of BLS transport fees. The City of Renton commissioned the report in response to a growing structural budget deficit and the prospect that they might have to reduce the staffing of their aid units. The City was seeking an alternative revenue stream that would allow them to maintain current levels of service in the face of shrinking tax revenues.

The City used this report to conduct a policy discussion involving the Mayor and applicable department directors. During these discussions, the Mayor commented that the City is not currently in the business of charging these fees, and if they were to enter that business, they would “always be chasing” this revenue. He argued that once the City begins to expect a steady revenue stream, such as one from user fees, it will become dependent on that source of income. The group decided that while they can always impose the fees at a later date, it would not be possible to impose the fees and then later reverse this policy.

Consequently, the City decided to wait until financial circumstances worsened before enacting such a fee. In short, they reserved the option to adopt the fee, but delayed using the option until absolutely necessary. While other factors contributed to the decision, including the political effects of implementing the fee and increased administrative costs, these were not pivotal considerations.

As a result of this decision, the Renton Fire Department has been forced to drop two fire fighter positions per shift. Due to this decreased staffing, only three of Renton’s four aid units are staffed full time. These service level reductions could have been avoided with adoption of the proposed user fees.

Advantages and Disadvantages of Initiating EMS Transport Fees

Before delving into projections of the revenue that might be gained from implementation of a BLS transport fee, we believe it is helpful to provide a brief overview of the advantages and disadvantages of implementing user fee support for EMS services.

Advantages of new EMS user fees include the following.

- **Stable Revenue Stream.** New fees will generate a substantial and stable revenue stream and allow the City to maintain high-quality emergency medical services despite difficult economic times.
- **Non-resident Collection.** In addition to fees collected from residents, additional revenue will be collected from non-residents who benefit from the Kirkland Fire Department’s EMS responses, but do not pay taxes to the City of Kirkland.
- **Financial Equity.** The users (and their insurance companies) of emergency medical services will directly pay for these services, while those who do not use them will not incur any charges.
- **Community Awareness.** EMS fees promote awareness that the business and mission of fire departments have changed and the method of financing the services must adapt to the changing environment.

- **Improved EMS Service.** Among other things, the additional funds will allow consideration of converting cross-staffed aid units to dedicated staffing of aid units.

Disadvantages of new user fees include the following.

- **Community Resistance.** The new fees represent additional revenue paid to the City in addition to current general taxes. Some in the community may object to the fees for this reason and feel that they are getting charged twice for Fire Department services.
- **Backlash from Insurance Companies.** Insurance companies have objected to the trend of EMS fees because it results in more claims from their insured individuals.
- **May Discourage 911 Calls.** Some residents may think twice before calling 911 due to the new fees, although there is not sufficient data to support this perception.
- **Increased Fire Crew Workload.** Fire crews will need to collect billing information at the scene of the EMS response.
- **Administrative Costs.** Administrative resources will be required to handle administrative functions including accounting, billing and collection. (Many of these costs can be mitigated by contracting billing and collection.)
- **Patient Relations.** Fire fighters perceive that charging user fees might alter their relationship with patients.

ESTIMATED REVENUE FROM NEW FEE

Management Partners has taken a conservative approach to estimating the net revenue that we project could be generated from BLS transport fees. The billing of fees for emergency medical services can be complex and requires attention to detail and protocol. The most important variable affecting the projected revenues is the collection rate. Imposing fees is the first step in generating revenue but establishing an effective billing and collection process is a critical component.

Emergency medical service fee payers generally fall into one of the following categories:

- Private payers with private health and auto insurance. These generally have a high collection rate.
- Medicare and Medicaid patients. Since these government programs reimburse at a lower rate than private payers, a higher than average proportion of these patients results in a lower than average collection rate.
- Uninsured patients. Traditionally these have a low collection rate.

A consistent and timely collection system is important to the success of any user fee program. If accurate and complete patient data are provided and billing is done on a timely basis, there is a good likelihood of favorable collection rates. All of the peer agencies who charge user fees contract with Systems Design for billing and collection services. Based upon our discussions with Systems Design representatives and their experience with 90 EMS clients in the State of Washington, we suggest that Kirkland establish a collection rate target of 70 to 75%.

An effective billing and collection system will be the most significant new cost of implementing new user fees. Some contractors provide this service for a percentage of the gross revenues collected. These fees typically range between 5% and 6% of revenues. Contractors also price their billing and collection services as a fixed amount of each transport invoice. The cost for the peer agencies surveyed ranged from \$20 to \$21 per invoice.

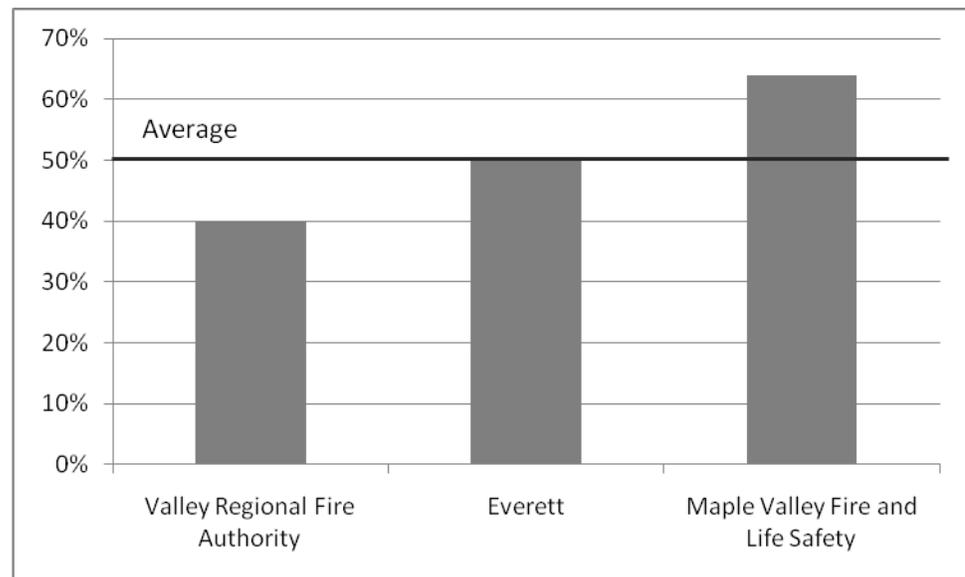
If the City of Kirkland decides to implement an EMS user fee program, Management Partners recommends that a request for proposals (RFP) be issued to select an appropriate firm to provide billing services. Because of the specialized nature of EMS billing, our research with other cities and agencies suggests that contracting for these services is more cost-effective than providing the services in-house. An example of a billing and collection RFP is included as Appendix 1 to this report.

Revenue Projection Assumptions

The assumptions used to estimate the projected revenues for Kirkland have been developed primarily using our analysis of peer agencies that charge BLS transport fees. An estimated base fee rate of \$600 was used for Kirkland along with \$14 for an estimated mileage rate. While both these numbers are based on peer agency averages, they were also compared against private agency rates and rates charged by other agencies nationwide to ensure reasonably calibrated amounts.

Figure 8 lists the collection rates reported by each of the agencies. The average collection rate for these peers is about 50% and is indicated by the black line. Based on these data, our experience with other agencies nationwide and Kirkland staff estimates, 53% is a reasonable estimate for the collection rate. Although we strongly recommend that Kirkland aim for a target collection rate between 70% and 75%, this more conservative estimate is preferable for the purposes of projecting revenues.

FIGURE 8: PEER AGENCY COLLECTION RATES



Based on our analysis of Kirkland’s calls for service and the experience of the peer agencies, Management Partners has used the assumptions shown in Table 4 as the basis for our revenue projections.

TABLE 4: EMS REVENUE PROJECTION ASSUMPTIONS

Total 2009 BLS transports	3,404*
Base rate	\$600
Mileage rate	\$14/mile
Collection rate	53%

*Includes District 41 transports

Assuming the same number of BLS transports as 2009 at a base rate of \$600 per transport, an average of 8,500 transport miles per year¹, and a collection rate of 53%, approximately \$1,145,542 in gross revenues would be produced. The projected new costs to administer the user fees are estimated at \$71,484 for a billing contract (based on \$21 per transport) and about \$75,000 (fully loaded salary) for an administrative assistant to administer the program. In addition, the City should estimate about \$1,000 for printing brochures and forms to publicize the new program. Given these conservative assumptions, Management Partners estimates **net projected annual revenue of about \$1 million**. Therefore, we recommend that Kirkland assume a range of \$1 million to \$1.5 million for budget planning purposes.

¹Kirkland staff provided an estimate of 8,500 transport miles per year.

EMS FEE IMPLEMENTATION AND ADMINISTRATION

The consideration of new EMS fees, like any new city program, requires careful planning, anticipation of issues, development of implementing ordinances, standard operating policies and procedures, and a public information process. The appendices to this report provide examples of these documents that Management Partners gathered from agencies that are successfully administering EMS fee programs. We have also included a helpful checklist from Systems Design, which was authorized by them. As previously mentioned, Systems Design is a firm that provides contract billing services for 90 EMS first responder agencies in the State of Washington.

Another important consideration is the information technology needs for the EMS user fee program. The peer cities who have adopted EMS user fees frequently recommended acquiring handheld devices designed to run the EMS reporting software. These are used to gather and record patient data at the time of transport. Based on the experience of peer agencies, new information technology equipment expenses could range from \$20,000 to \$40,000. However, the portable computing industry is rapidly expanding, and prices of powerful devices are continually decreasing. The expenses for Kirkland will depend on this market and the City's current information technology capacity.

The following key issues have been identified by Management Partners as being critical to the successful implementation of a new EMS user fee program.

- Articulate a clear statement of the purpose of the program and the rationale for its implementation.
- Continually revisit and refine revenue and expense projections.
- Involve employee and labor leaders in the decision-making process.
- Utilize a billing agency that is skilled in customer service and understands the political issues related to user fees in the public sector.
- Carefully follow the recommendations from the billing agency to collect patient information, including hospital "face sheets" and signatures required at the time of service.
- Provide training to employees about the completion of required billing information.
- Adopt clear and concise operational and financial policies and procedures.
- Monitor the operational and financial results to make appropriate adjustments.

CONCLUSION

The adoption of user fees for emergency services is an important policy choice. The financial impact that user fees have on residents is easily quantifiable and therefore becomes an easy target for criticism and resistance. However, the importance of high quality emergency services cannot be overstated and in many cases user fees have become necessary to account for the rising costs of these services.

Like many cities across the country, the City of Kirkland is confronted with the prospect of shrinking general fund revenues while the costs of services continue to increase. Implementing new user fees will allow the City to increase revenues by directly charging those who use the services (compared with a broad tax that would impact users and non-users of emergency medical services). The effect on Kirkland taxpayers is further diminished when one takes into account insurance coverage and user fees billed to nonresidents.

The mission of fire departments nationwide has changed dramatically and EMS services have overtaken fire suppression as the top priority. In many cases, the adoption of user fees for emergency services is a natural consequence of these changing service priorities. In the face of potentially shrinking tax revenue, these user fees can play an important role insulating the Fire Department from service reductions. In the short term, the fee would allow the department to operate at optimum staffing levels without jeopardizing overtime funds. In the long term, the fee will ensure that Kirkland can absorb the increased equipment and training costs that accompany high quality emergency medical response.

Nearly all cities that have implemented such fees have dealt with public criticism (due in part to a general misunderstanding of the function and policy rationale for these fees). Fire fighters from the Kirkland Fire Department have expressed a strong inclination against the fees for a variety of reasons, including pride in providing top quality service through the current level of taxes, resistance to the increased administrative responsibilities required, and concern that residents might be discouraged from calling 911. These concerns reflect opinions that are not conclusively confirmed or denied by this analysis. It should be noted that call volumes are influenced by many factors, and it is unclear to what extent, if any, a response fee may factor into a person's decision to dial 911.

Management Partners projects fee revenue based on an estimated base fee of \$600 per transport and a mileage rate of \$14 per mile. Using these assumptions and an estimated collection rate of 53%, we estimate additional net revenues of approximately \$1 million annually. This revenue would help the City avoid service reductions and ensure that the Fire Department can maintain minimum daily staffing levels without exhausting overtime funds. Nevertheless, these revenues come with notable costs, both in terms of administrative workload and the potential for unfavorable reactions from the public and fire fighters.

This report is provided as a tool that the City's policy makers can use to help guide this important decision. We are also providing a detailed set of materials that can be used to help understand the issues involved and aid potential implementation. These include the following information:

1. Sample Billing and Collection request for proposals
2. Snohomish County Fire District No.1 (SCFD 1) EMS Policy
3. SCFD 1 Reimbursement Policy
4. Maple Valley District Patient Information and Billing Form
5. Maple Valley Transport Fee Billing and Collection Administrative Guide
6. Edmonds Fire Departmental Financial Assistance Policy
7. Edmonds EMS Transport Draft Standard Operating Procedure
8. Edmonds EMS Transport Fee Ordinance
9. Edmonds Frequently Asked Questions
10. Edmonds EMS Transport Billing Procedures
11. Edmonds EMS Transport Billing Procedures Standard Operating Procedure
12. EMS Required Billing Items
13. Preparing for EMS Billing Checklist
14. Classes of EMS Users

APPENDIX 1 – SAMPLE BILLING AND COLLECTION REQUEST FOR PROPOSALS



February 26 , 2008

Springfield Fire and Life Safety
Attn: Brian Evanoff
225 Fifth Street
Springfield, Oregon 97477

Mid-Columbia Fire and Rescue is seeking qualified vendors to submit proposals for ambulance billing and collection services.

Mid-Columbia Fire and Rescue is a transporting ambulance agency that responds to approximately 2200 medical calls each year, resulting in approximately \$1.8 million in gross billings.

If you are interested in participating in this process, please respond to the enclosed questionnaire, and return it by 5:00 p.m. Pacific Standard Time, March 31, 2008 to Fire Chief Bob Palmer at Mid-Columbia Fire and Rescue, 1400 W. 8th St., The Dalles, OR. 97058. If you have any questions or if you are interested in visiting with us at the Fire District prior to responding, please call (541) 296-9445 to schedule an appointment.

Sincerely,

A handwritten signature in cursive script that reads "Robert F. Palmer".

Robert Palmer
Fire Chief

Agency Experience

Briefly describe your company's history and give a succinct overview of its organization, goals, and objectives. Include both general experience and total references to all aspects of your agency.

Agency Outlook

Include information on your agency's philosophy, mission statement and general operating procedures.

Include information on your agency's hours of operation, names and titles of officers in the agency, varying support levels in your agency for escalated calls and local access points for the debtor.

Membership and Associations

Do you have Credit International (ACA) membership as well as membership in other associations?

Financial Information

Provide information on your company's financial status (e.g. annual report, 10-K).

Ability to Meet Requirements

Describe your collection process that would specifically be tailored to our patients. Include information that separates your process in collecting accounts from your competitors.

Describe your payment plan policy and how it is administered. What is an acceptable payment plan versus an unacceptable plan?

What reporting formats do you have available?

Are you able to provide custom reports?

Will there be a monthly report of all collections?

Agency Technical and Personnel Ability

Describe the personnel who will be responsible for our portfolio, including small biographies for each listed.

Do you have a separate customer service department to service our account?

What does your company do to ensure quality on your client's accounts?

Licensing and Legal Capabilities

What effective interest rate is used on past due accounts?

In what states can you provide collection through legal proceedings?

When are accounts deemed or assigned to “legal”?

List all states where you are licensed or have the capability through associate agencies (without increasing the commission rate) to collect delinquent accounts.

Security and Confidentiality Policy

Provide information on your current security environment, including both from a technical standard as well as an employee level.

Does your host application require password security?

Does your system maintain a complete audit trail of all system activity including user ID and time of activity? Is audit trail retrievable?

Does each workstation log off after a specified amount of time?

How are your system back-up and restore tapes stored? Describe your disaster recovery process.

Include information on your confidentiality policy and background / verification check on employees.

What is your company’s process of complying with HIPAA, FDCPA and FCRA?

Ongoing Employee Hiring and Education

Describe your employee education, training and annual updates. Also include any certifications that are required to be obtained by your employees.

What is your staff to active account ratio?

We would like a brief statement of your collection philosophy as would be explained to a new employee.

What are your recruiting strategies?

Do you test new applicants for job matching?

Describe your training and development for seasoned employees.

Do you utilize any simulation or interactive training tools?

Future Development

Describe the future plans, including timelines that you expect to or are already undertaking that directly enhance your agency to be a “best practices” company and/or enhance a positive client involvement.

Rate Structure

Provide pricing information for your services.

References

Who are your 10 biggest clients?

APPENDIX 2 – SNOHOMISH COUNTY FIRE DISTRICT #1(SCFD1) EMS POLICY

SNOHOMISH COUNTY FIRE PROTECTION DISTRICT NO. 1

EMERGENCY READINESS & RESPONSE EMS POLICY

SUBJECT: 900.01.001.01 - AMBULANCE TRANSPORT CHARGES

1.0 PURPOSE

Establishment and collection of ambulance transport charges.

2.0 DIVISIONS AFFECTED

All divisions.

3.0 REFERENCES

3.1 RCW 52.12.131

3.2 Medicare Ambulance Fee Schedule (V 3.1)

4.0 POLICY

4.1 It is the policy of Snohomish County Fire Protection District No. 1 (the "District") that a transport fee ("Transport Fee") shall be charged to patients ("Transport Patients") who are transported by ambulance to a hospital, and to ensure consistency in collecting delinquent Transport Fee accounts. Transport Fees are normally paid in whole or in part by Medicare, Medicaid, HMO's, private insurance and other third party payers (collectively referred to as "Third Party Payers").

4.2 The District has determined that the benefit of receiving additional Transport Fee revenue directly from Transport Patients is outweighed by various tangible and intangible costs, including (a) increased staff time to process delinquent accounts, issue letters to Transport Patients, respond to telephone inquiries from Transport Patients, and monitor collection activities; (b) the necessity of hiring additional administrative staff to monitor and process accounts; and (c) payment of collection agency charges.

4.3 District Billing Procedure

4.3.1 **Third Party Payers.** The District will bill the Third Party Payer at the District's existing rate schedule, which may be amended from time to time. The District will send no more than three bills to the Third Party Payer. If no payment is received within thirty (30) days after the final billing, the District will assign the account to a collection agency to collect that portion of the Transport Fee for which the Third Party Payer is responsible.

4.3.2 **Medicaid Patients.** Pursuant to federal law, the District will accept that amount paid on behalf of any Medicaid patient (whether a resident or non-resident of the District) as full and final payment of the Transport Fee and will write off the balance; provided, however, that if the Transport Patient has supplemental insurance, the District will also bill the supplemental insurance carrier according to the foregoing billing procedure.

4.3.3 **Patients Who Have Medicare or Other Insurance:**

4.3.3.1 **Residents of the District:** The District will bill the third Party Payer and will accept the amount received from the Third Party

Payer as payment in full and will write off any balance. The District will treat its tax revenues as payment of any otherwise applicable co-payments or deductible due from the Residents.

4.3.3.2 **Non-residents of the District (“Non Resident Patients”):** In addition to billing the Third Party Payer, the District will make the following actions, which the District deems to constitute good faith efforts to collect unpaid balances:

4.3.3.2.1 Send three bills directly to the Non Resident Patient for any amounts not paid by the Third Party Payer.

4.3.3.2.2 Any amounts not collected within thirty days after the third and final billing will be written off by the District.

4.3.3.3 **Transport Patients who have neither Medicare nor other insurance:** The District will send three bills directly to the Transport Patient. Any amounts not collected within thirty days after the third and final billing may be written off by the District.

4.3.3.4 **Hardship.** The District reserves the right to waive any Transport Fee charge on a case by case basis if financial hardship is demonstrated by the patient.

4.3.3.5 **Collection Agency and Billing Agency Contracts.** Any billing and/or collection agency with whom the District contracts will be required to provide the District with regular reports on not less than a monthly basis listing the following:

4.3.3.5.1 Patient by date of transport.

4.3.3.5.2 A/R report for each patient transport.

4.3.3.5.3 Money collected on behalf of each patient.

4.3.3.5.4 Money paid by the collection agency to the District on each patient account.

APPENDIX 3 – SCFD 1 REIMBURSEMENT POLICY

**RESOLUTION OF SNOHOMISH COUNTY
FIRE PROTECTION DISTRICT NO. 1**

RESOLUTION NO. ____

WHEREAS, Snohomish County Fire District No. 1 (the “District”) charges an ambulance transport fee (“Transport Fee”) to patients who are transported by ambulance to a hospital (“Transport Patients”); and

WHEREAS, the District desires to institute a policy to ensure consistency in collecting delinquent Transport Fee accounts; and

WHEREAS, the Transport Fees are normally paid in whole or in part by Medicare, Medicaid, HMO’s, private insurance and other third party payers (collectively referred to as the “Third Party Payers”);

WHEREAS, the District has determined that the benefit of receiving additional Transport Fee revenue directly from Transport Patients is outweighed by various tangible and intangible costs, including (a) increased staff time to process delinquent accounts, issue letters to Transport Patients, respond to telephone inquiries from transport patients, and monitor collection activities; (b) the necessity of hiring additional administrative staff to monitor and process accounts; and (c) payment of collection agency charges.

NOW THEREFORE BE IT RESOLVED by the Board of Fire Commissioners of Snohomish County Fire District No. 1 that the following policy is established:

1. **District Billing Procedure for Third Party Payers.** The District will bill the Third Party Payer at the District’s existing rate schedule, which schedule may be amended from time to time. The District will send no more than three bills to the Third Party Payer. If no payment is received within thirty (30) days after the final billing, the District will assign the account to a collection agency to collect that portion of the Transport Fee for which the Third Party Payer is responsible.
2. **Medicaid Patients:** Pursuant to federal law, the District will accept that amount paid on behalf of any Medicaid patient (whether a resident or non-resident of the District) as full and final payment of the Transport Fee and will write off the balance; provided, however, that if the Transport Patient has supplemental insurance, the District will also bill the supplemental insurance carrier according to the foregoing billing procedure.
3. **Patients Who Have Medicare or Other Insurance:**
 - a. **Residents of the District:** The District will bill the Third Party Payer and will accept the amount received from the Third Party Payer as payment in full and will write off any balance. The District will treat its tax revenues as payment of any otherwise applicable copayment or deductible due from the Residents.
 - b. **Non-Residents of the District (“Non Resident Patients”):** In addition to billing the Third Party Payer, the District will make the following actions, which the District deems to constitute good faith efforts to collect unpaid balances:

- i. Send three bills directly to the Non Resident Patient for any amounts not paid by the Third Party Payer.
 - ii. Any amounts not collected within thirty days after the third and final billing will be written off by the District.
- 4. Transport Patients Who Have Neither Medicare Nor Other Insurance:** The District will send three bills directly to the Transport Patient. Any amounts not collected within thirty days after the third and final billing will be written off by the District.
- 5. Hardship.** The District reserves the right to waive any Transport Fee charge on a case by case basis if financial hardship is demonstrated by the patient.
- 6. Collection Agency and Billing Agency Contracts.** Any billing and/or collection agency with whom the District contracts will be required to provide the District with regular reports on not less than a monthly basis listing the following information:
- (i) patient by date of transport;
 - (ii) A/R report for each patient transport;
 - (iii) Money collected on behalf of each patient; and
 - (iv) Money paid by the collection agency to the District on each patient account.

Dated this _____ day of February, 2004.

**SNOHOMISH COUNTY FIRE PROTECTION
DISTRICT NO. 1**

By: _____
Commissioner

ATTEST:

Secretary

APPENDIX 4 – MAPLE VALLEY FIRE DISTRICT PATIENT INFORMATION AND BILLING FORM



MAPLE VALLEY FIRE & LIFE SAFETY

Assignment of Benefits Authorization
Responsibility for Payment
Acknowledgment of Receipt of Notice of Privacy Practices

Form 43-1301-01

BILLING INFORMATION

To be completed for each patient transported, each time.

Patient Name: _____ SS: Number: _____ - _____

Incident Number: _____ - _____ Fire District # _____ Resident _____ Non-Resident _____

Mileage: Beginning: _____ Ending: _____ Actual Miles: _____

Hospital Admitting Form: [] Attached [] Not Available

Patient Mailing Address (if different): _____

Medical Insurance Company: _____

Ins. Info Unavailable *Has No Ins.* *Unknown* *Explanation:* _____

Policy, ID or Claim Number _____ Group Number _____

Medical Insurance Company Address: _____

I understand that I am financially responsible for the services provided to me by Maple Valley Fire & Life Safety, regardless of insurance coverage. I request that payment of authorized Medicare or other insurance benefits be made on my behalf to Maple Valley Fire & Life Safety for any services provided to me by Maple Valley Fire & Life Safety. I authorize and direct any holder of medical information or documentation about me to be released to the Centers for Medicare and Medicaid Services and its carriers and agents, as well as to Maple Valley Fire & Life Safety and its billing agents and any other payers or insurers, any information or documentation needed to determine these benefits or benefits payable for any services provided to me by Maple Valley Fire & Life Safety, now or in the future. I agree to immediately remit to Maple Valley Fire & Life Safety any payments that I receive directly from any source for the services provided to me and I assign all rights to such payments to Maple Valley Fire & Life Safety.

I also acknowledge that I have received a copy of Maple Valley Fire & Life Safety's Notice of Privacy Practices. A copy of this form is as valid as the original.

X

Name and Location of Receiving Facility: _____ Time: _____
Signature of Receiving Facility Representative: _____
Printed name of Representative: _____
Patient did not sign because: _____

APPENDIX 5 -- MAPLE VALLEY TRANSPORT FEE BILLING AND COLLECTION ADMINISTRATIVE GUIDE



MAPLE VALLEY FIRE & LIFE SAFETY

FIRE DISTRICT TRANSPORT FEE BILLING AND COLLECTIONS Administrative Guide 43-1301

Division: Administration

AG 43-1301 REPLACES: None	Date: 07/16/2005	ISSUED BY: Chief Lemon
--	-------------------------	---

REFERENCE: Office of Inspector General (OIG) Advisory Opinion No. 01-10 and No. 01-11

1.0 POLICY:

- 1.1 **Policy 43-1301:** It is the policy of the Maple Valley Fire & Life Safety (MVFLS) to bill for Emergency Medical Service (EMS) patient transport services.

2.0 SCOPE

- 2.1 This Administrative Guide (AG) shall apply to all EMS patients transported by MVFLS aid units.

3.0 DEFINITIONS:

- 3.1 **AG:** Administrative Guide
- 3.2 **Non-Resident Patient:** Patients that do not live and/or pay property taxes within Maple Valley Fire & Life Safety's jurisdiction.
- 3.3 **Resident Patient:** Patients that live in Maple Valley and/or own and pay property taxes within Maple Valley Fire & Life Safety's jurisdiction.
- 3.4 **Transport:** The act of providing emergency medical transportation to a patient in an aid car operated by MVFLS personnel.

4.0 GENERAL

- 4.1 Consistent procedures for billing and collection of patient transport fees are required to ensure fair and equitable treatment is given to all patients that are transported by MVFLS. This AG provides a mechanism for determining how the billing and collection process will be handled.

- 4.2 All patients that are transported by MVFLS will be charged a fee established by the District's yearly fee resolution, except for patients that are transported to meet another transport unit and the patient is transferred to the other unit for the balance of the transport.
- 4.3 Transports that are provided through a first alarm agreement or mutual aid agreement to adjacent jurisdiction shall be billed as outline in this AG.
- 4.4 The decision to provide transport services will be made as outlined in **SOG 43-2201 (Patient Treatment & Transport)**
- 4.5 No patient will be refused service due to inability to pay for said services. See Charity Care in this document.
- 4.6 All billing services will be provided by System Design Northwest for the District.
- 4.7 The following information and forms will be needed for billing purposes:
- 4.7.1 Complete MIRF
- Patient's Name
 - Patient Address
 - Date of Transport
 - Incident location transported from
 - MIRF SOAP
 - Date of Birth (mm/dd/yy)
- 4.7.2 Form 43-1301. See Appendix 43-1301-01
- Patient Social Security Number (not required)
 - Resident/Non Resident
 - Insurance Company
 - Insurance Company Address
 - Policy, ID or Claim Number
 - Insurance Group Number
- 4.7.3 Hospital Admittance Sheet

5.0 GUIDELINES:

- 5.1 **RESIDENT PATIENT(s)** if the patient being transported is a resident of the MVFLS, the following billing procedures apply:
- 5.1.1 If the resident patient has insurance, a bill will be sent to the insurance company and a statement will be sent to the resident patient showing the insurance company has been billed.
- 5.1.1.1 If the insurance company does not pay the full amount billed for the resident patient transported, the insurance payment will be accepted as payment in full and the remaining portion will be written off against property taxes paid by the resident patient.

- 5.1.1.2 If the insurance company denies payment, the fees and/or cost of the resident patient transported will be written off against property taxes, up to the amount of taxes paid by the resident patient. The balance of the bill will be the responsibility of the resident patient.
- 5.1.2 If the resident patient has no insurance, the fees and/or bill for the resident patient transported will be written off against property taxes, up to the amount of taxes paid by the resident patient. The balance of the bill will be the responsibility of the resident patient.
- 5.1.3 A total of three bills will be sent to the resident patient receiving transport services from the District in an attempt to collect the total transport fee.
- 5.1.3.1 If upon 30 days after the third bill has been sent no payment has been received, the balance owed shall be noted as non-payment.
- 5.1.4 The District upon receiving notification that a resident patient has been billed three times with no payments received, MVFLS will write off the unpaid amount and no further attempts to collect for the transport service will be made.
- 5.2 **NON-RESIDENT PATIENT(s)** if the patient being transported is a non-resident, the following billing procedures apply:
 - 5.2.1 If the non-resident patient has insurance, a bill will be sent to the insurance company and a statement will be sent to the non-resident patient showing the insurance company has been billed.
 - 5.2.1.1 If the insurance company does not pay the full amount billed for the non-resident patient transported, the non-resident patient will be responsible for the remaining unpaid portion of the fee.
 - 5.2.1.2 If the insurance company denies payment, the non-resident patient transported will be responsible for the full amount of the transport fee.
 - 5.2.2 If the non-resident patient has no insurance, a bill will be sent directly to the non-resident patient. The non-resident patient will be responsible for the payment of the transport fee.
 - 5.2.3 A total of three bills will be sent to all non-resident patients receiving transport services from the District in an attempt to collect the transport fee.
 - 5.2.3.1 If upon 30 days after the third bill has been sent no payment has been received, the balance owed shall be noted as non-payment.
 - 5.2.4 The District upon receiving notification that a non-resident patient has been billed three times with no payments received, MVFLS will write off the unpaid amount and no further attempts to collect for the transport service will be made.

5.3 TRANSPORT FINANCIAL ASSISTANCE

5.3.1 No person will be denied needed emergency medical care because of an inability to pay for such service. Maple Valley Fire & Life Safety will provide needed emergency services without charge or at a reduced charge and without discrimination to those persons with no or inadequate means to pay for needed care.

5.3.2 To be eligible to receive needed transport services without charge or at a reduced charge, you or your family's annual income must be at or below the following levels:

Family Size	No Charge	Charges Reduced By 75%	Charges Reduced By 50%	Charges Reduced By 25%	No Reduction in Charges
Family Annual Income Level:					
1	\$ 9,310 or less	\$ 9,311 - \$12,382	\$12,383 - \$15,455	\$15,456 - \$18,619	\$18,620 or higher
2	\$12,490 or less	\$12,491 - \$16,612	\$16,613 - \$20,733	\$20,734 - \$24,979	\$24,980 or higher
3	\$15,670 or less	\$15,671 - \$20,841	\$20,842 - \$26,012	\$26,013 - \$31,339	\$31,340 or higher
4	\$18,850 or less	\$18,851 - \$25,071	\$25,072 - \$31,291	\$31,292 - \$37,699	\$37,700 or higher
5	\$22,030 or less	\$22,031 - \$29,299	\$29,300 - \$36,570	\$36,571 - \$44,059	\$44,060 or higher
6	\$25,210 or less	\$25,211 - \$33,529	\$33,530 - \$41,849	\$41,850 - \$50,419	\$50,420 or higher
7	\$28,390 or less	\$28,391 - \$37,759	\$37,760 - \$47,127	\$47,128 - \$56,779	\$56,780 or higher
For each additional family member, add \$3,180					

5.3.3 For a patient to apply for Financial Assistance Program, the patient must complete Form 43-1301-02 Financial Assistance Application.

5.3.4 Form 43-1301-02 may be obtained from the Maple Valley Fire & Life Safety or requested through Systems Design.

5.3.5 Once the Form 43-1301-02 has been completed, the requesting patient's monthly gross income shall be reviewed and verified (as needed). Upon completion of the review a Chief Officer with Maple Valley Fire & Life Safety will sign the form granting the appropriate discount or deny the request.

5.3.6 If you think a patient is eligible for our Financial Assistance Program, please advise them of the program.

6.0 APPENDIX:

6.1 Appendix 01 Form 43-1301-01 Assignment of Benefits Authorization, Responsibility for Payment, and Acknowledgment of Receipt of Notice of Privacy Practices

6.2 Appendix 02 Form 43-1301-02 Transport Financial Assistance Program

APPENDIX 6 – EDMONDS FIRE DEPARTMENT FINANCIAL ASSISTANCE POLICY

CITY OF EDMONDS FINANCIAL ASSISTANCE POLICY

The following criteria for provision of financial assistance to EMS Transport Users are consistent with the requirements of WAC 246-453-001 through 246-453-060.

Policy

It is City of Edmonds and Fire Department policy that ability to pay is never a condition of service. All aspects of pre-hospital service will be provided to all patients without discrimination toward those with no or inadequate means to pay.

The most recent Federal Poverty Guidelines (updated annually in February) shall be used to implement a process for debt forgiveness. The Fire Department and/or its designated agent(s), following guidelines described below, reserve the right to extend debt forgiveness to persons unable to complete the required application process.

Financial Assistance applications are available upon request through the EMS billing company who is responsible for obtaining approval signatures for write-offs from the Edmonds Fire Department at the time that each application is processed. The billing company will report financial assistance account activity, and the amount of EMS fee debt forgiveness (written off) to the City and the Fire Department on a regular basis.

Definitions

Debt Forgiveness is canceling a debt owed to the City for EMS services rendered, either partial or in full.

Financial Assistance is the provision of medical assistance to persons without the ability to pay for such services, either partial or in full payment, and is also known as Indigent Care.

Responsibilities

The billing company ascertains whether those persons claiming to need financial assistance, actually meet criteria according to the current Federal Poverty Guidelines. These guidelines are the same criteria used by hospitals to establish the need for economic assistance.

It is the responsibility of the billing company to notify the Fire Department of the existence of such accounts. Supplemental information, such as income level, cost of living, etc. is also provided.

It is the responsibility of the Fire Department EMS Administrator to review the documentation requesting debt forgiveness according to the financial assistance guidelines. The EMS Administrator signs the approval document and faxes it back to the billing company. A copy of this request is kept on file for future reference at both locations. The City is kept informed of the financial assistance account activity on a monthly basis.

Guidelines

- A. Criteria for determining the financial status of applicants for debt forgiveness assists in making consistent and objective decisions regarding the eligibility for financial assistance, and ensures maintenance of a sound financial base and fairness to all EMS transport service users.
1. Service Categories. Emergency medical services will be provided for persons needing financial assistance.
 2. Eligibility Criteria. Debt forgiveness is secondary to all other financial resources available to the patient including insurance, government programs, third party liability, and liquid assets.
 3. Full debt forgiveness will be provided to a patient with a gross family income at or below 100% of current published Federal Poverty Income Guidelines.
 4. A partial debt forgiveness schedule will be used to determine financial assistance according to current published Federal Poverty Income Guidelines.
 5. Debt forgiveness may be provided to a responsible party with gross family annual income greater than 200% of the federal poverty guidelines if circumstances such as extraordinary non-discretionary expenses, future earning capacity, and the ability to make payments over an extended period of time warrant consideration.
 6. Reasonable payment arrangements, consistent with the eligible responsible party's ability to make payments, will be extended for amounts not eligible for debt forgiveness. Up to four monthly payments without interest may be arranged. The Fire Department reserves the right to revoke any debt forgiveness and assign all unpaid balances to collections if an extended payment agreement is in default.
- B. Eligibility Determination. Requests for consideration may be proposed by sources such as physician, community or religious groups, social services, hospital personnel, the patient, guarantor, or family member. The Fire Department will use an application process through their billing company to determine initial interest in and qualification for financial assistance. The Fire Department's decision to provide debt forgiveness in no way affects the responsible party's financial obligations to physicians or other healthcare providers.
1. The Fire Department shall base their decision of eligibility based upon the data gathered via the billing company along with their recommendation.
 2. Applications for debt forgiveness are available through the billing company upon request.
 3. Criteria for meeting debt forgiveness eligibility are verified through utilization of the current Federal Poverty Guidelines which are also utilized by most healthcare institutions. The billing company utilizes documentation provided by the patient to verify the need for debt forgiveness. Such documentation may include tax returns, payroll check stubs, letters of verification of absence of income from responsible parties, etc.

4. All documentation is forwarded from the billing company to the Fire Department for review and approval for those cases that meet financial assistance criteria. The request is signed by the Fire Department EMS Administrator and returned to the billing company. A copy of the documentation is kept by the Fire Department.
5. A letter of denial is sent by the billing company on behalf of the Fire Department to those persons not meeting Financial Assistance Policy requirements.
6. Appeals. The responsible party may appeal the determination of eligibility for debt forgiveness by providing additional information of verification of income or family size to the billing company.
7. The City and the Fire Department realize that certain persons may have no financial means to pay for their EMS transport, but also lack the social network/family necessary to help them complete any paperwork required to apply for financial assistance. It is with this limited population in mind, that the City/Fire Department realizes that there may be individual cases in which there will be no application process completed. The billing company will notify the EMS Administrator when these situations occur.

Attachments

2008 Federal Poverty Guidelines
 Financial Assistance Application Form

2008 Federal Poverty Guidelines

Family Size	100% Charity	75% Charity	50% Charity	25% Charity
1	\$10,400.00	\$13,000.00	\$15,600.00	\$18,200.00
2	\$14,000.00	\$17,500.00	\$21,000.00	\$24,500.00
3	\$17,600.00	\$22,000.00	\$26,400.00	\$30,800.00
4	\$21,200.00	\$26,500.00	\$31,800.00	\$37,100.00
5	\$24,800.00	\$31,000.00	\$37,200.00	\$43,400.00
6	\$28,400.00	\$35,500.00	\$42,600.00	\$49,700.00
7	\$32,000.00	\$40,000.00	\$48,000.00	\$56,000.00
8	\$35,600.00	\$44,500.00	\$53,400.00	\$62,300.00

For each additional family member:

Add	\$3,600.00	\$4,500.00	\$5,400.00	\$6,300.00
-----	------------	------------	------------	------------

Individual Written Notice of Financial Assistance

It is the policy of the City and the Fire Department that no person will be denied needed emergency medical care because of an inability to pay for such services. The Fire Department will provide needed emergency services without charge or at a reduced charge and without discrimination to those persons with no or inadequate means to pay for needed care.

To be eligible to receive needed ambulance services without charge or at a reduced charge, you or your family's annual income must be at or below certain levels established by national poverty guidelines for this area. If you think you may be eligible for Financial Assistance, please contact:

Systems Design Northwest
800-585-5242 or 360-692-5242
FAX 360-698-4968
info@SystemsDesignNW.com

You will be notified of any reduction in your bill once your application has been reviewed.

Sample Financial Assistance Application Form

Patient's Name		Contact Phone #	
Date of Service			
Transported to			

Responsible Party	
Name	
Relationship	
Current Employer	
Employed From	
Previous Employer	
Spouse Employer	
Employed From	
Previous Employer	

Income	Family Member 1	Family Member 2	Family Member 3	Family Member 4
Name				
Relationship				
Wages				
Self Employment				
Public Assistance				
Social Security				
Unemployment				
Worker's Comp.				
Alimony				
Child Support				
Pension/Retirement				
Dividend Income				
Rental Prop. Income				
Other Income (detail)				
Total Income				

The above information is true and correct to the best of my knowledge. I authorize the City of Edmonds Fire Department to verify for the purpose of financial assistance eligibility determination.

Signature (Patient or Responsible Party)

Date

Current Account Balance	Adjustment (by Fire Department)	New Balance

Signature (Fire Department)

APPENDIX 7 -- EDMONDS EMS TRANSPORT DRAFT STANDARD OPERATING PROCEDURE

EDMONDS FIRE DEPARTMENT

SOP 103.12

STANDARD OPERATING PROCEDURES

DATE: JANUARY __, 2009

EMS TRANSPORT USER FEE PROCEDURES (Draft)

INTENT

To explain procedures for processing Emergency Medical Services (EMS) transport information and associated documents for billing purposes.

FIELD SERVICE PROVIDER INSTRUCTIONS

Employees shall complete a Medical Incident Report (MIR) in accordance with SOP 103.19 Medical Incident Reporting on all “patients” seen by Department Paramedics and/or Emergency Medical Technicians.

MIRs shall be used as the main information source for EMS transport billing. **Important information entered on this form includes:**

1. Incident
 - Location
 - Zip code
2. Patient
 - Name
 - Address
 - Zip code
 - Phone number
 - Age
 - Date of birth
 - Level of care provided.

Much of the billing level is based on information received by the SNOCOM call-taker. To facilitate this element of EMS billing, field service providers shall enter at the top of the MIR Narrative Section a brief single line documenting the information at the time of the dispatch entered, for example, “*Dispatched 911 Medic Response for decreased level of consciousness.*”

Field service providers must also complete and get a signature on the *City of Edmonds Ambulance Billing Authorization, Privacy Acknowledgment Form, and Balance Bill Waiver Form*. This form serves three purposes:

1. Acknowledges receipt by the patient of the HIPAA-required *Edmonds Fire Department Notice of Privacy Practices* given to the patient or a relative at the scene.
2. Identifies the patient as a non-resident, or a resident of Edmonds, Woodway, or Esperance, or an employee of an Edmonds business for billing purposes.
3. Authorizes the City to bill the patient for the transport.

This single-page form, once signed, shall be affixed to the MIR in the order specified later in this document. If the patient refuses to sign the form, the refusal is documented in Section 3 of the form.

Once patient care has been transferred to the receiving definitive care facility and the patient registered, a "Face Sheet" shall be obtained from facility staff and affixed to the MIR in the order listed later in this document. NOTE: it is the Company Officer's responsibility to ensure that all required paperwork is completed and submitted. If a "Face Sheet" is not available at the time of unit departure, other arrangements shall be made to retrieve a copy to include receipt by fax, asking the staff later on when at the facility, or having the Battalion Chief or another unit stop by the facility to retrieve a copy.

Once back at the Fire Station, the call information shall be entered into WebFIRS. Information entered into WebFIRS necessary for billing, in addition to information entered before January 1, 2009, includes the patient name, address, phone number, level of service provided, patient number of number (for example, one of two), and definitive care facility destination. Level of service shall be selected from the following guide:

- BLS: Care rendered and transported by personnel at the EMT level.
- ALS Eval: Patient received advanced-level evaluation by a Paramedic; this level is billed as an ALS1 regardless of subsequent treatment or transport level, that is, transport could be by a BLS or ALS unit.
- ALS1: Dispatch criteria required an ALS response, AND patient was evaluated by a Paramedic, AND patient was transported (BLS or ALS) to a definitive care facility.
- ALS2: Dispatch criteria required an ALS response, AND patient was evaluated by a Paramedic. Additionally, the patient received three or more doses of a medication (same med or different), and/or received an ALS2 Advanced Skill (ETT-I, Surgical Airway, IO, central line, pacing, and/or decompression).

After completion of all the items listed above, the documents shall be stapled together in the following order (top to bottom) and submitted to Fire Administration:

1. Hospital Face Sheet
2. *City of Edmonds Ambulance Billing Authorization, Privacy Acknowledgment Form, and Balance Bill Waiver Form*
3. MIR
4. CAD Sheet
5. Any other documents submitted as part of the record.

Reports shall be collected and transported to Fire Administration in accordance with SOP 104.10 HIPAA.

FIRE ADMINISTRATION

Fire Administration Staff will field complaints and questions that are unable to be answered by Systems Design Northwest, the City contract billing agency. Additionally, Fire Administration will make adjustments to the level of care being billed when in question by Systems Design, and approve candidates that qualify for financial assistance.

BILLING STAFF

Systems Design billing staff shall periodically access WebFIRS using their assigned Username and Password to generate a Batch Report Log. This Batch Report Log is in Excel format and

designed to tabulate and calculate the number of calls and the amount of charges to be billed by Systems Design for the billing period. This form is editable using standard Excel commands.

Once the Batch Report Log is established, an Edmonds Finance billing staff employee shall take the reports from the established time period and reconcile them with the Batch Report Log list to affirm no reports are missing from the log or calls that were added inadvertently. Once reconciled, the Finance employee shall tear the top two sheets (Hospital Face Sheet and Signature Form) off the MIR and photocopy the MIR. The photocopy of the MIR and the two original forms shall be affixed together using a staple and placed in a stack in accordance with the Batch Report Log. A hard copy of the Batch Report Log shall be placed in a designated file at Fire Administration. Once complete, the MIR Copies, Forms, and Batch Report Log shall be placed in an envelope and mailed to Systems Design Northwest, Inc for bill processing.

MORE INFORMATION

In order to make the transition into billing as seamless as possible, the following documents are available to the public on the City and Fire Department websites, for review by employees.

- *Frequently Asked Questions*
- *EMS Transport User Fees White Paper*, September 12, 2008
- Edmonds Fire Department *Financial Assistance Guidelines*, October 16, 2008
- Edmonds Fire Department *Notice of Privacy Practices*.

Thomas J. Tomberg
Fire Chief

APPENDIX 8 – EDMONDS EMS TRANSPORT FEE ORDINANCE

0006.90000
BFP/WSS/gjz
10/21/08

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, ADOPTING A NEW CHAPTER 5.60 ECC EMERGENCY MEDICAL SERVICE TRANSPORT CHARGES. TO RECOVER FROM USERS CERTAIN COSTS OF PROVIDING EMERGENCY MEDICAL SERVICES TRANSPORT, PROVIDING FOR SEVERABILITY AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.

WHEREAS, the City of Edmonds, through its Fire Department, provides emergency medical service (EMS) as authorized by the State of Washington; and

WHEREAS, pursuant to 35A.11.020 as an exercise of the power granted by RCW 35.27.370(15), the City Council of the City of Edmonds has discretion to charge fees to those receiving EMS transportation from the City's Fire Department; and

WHEREAS, the City does not currently charge EMS transportation fees to those receiving the same from the City's Fire Department even though the fees are generally covered by most medical insurance policies, including but not limited to Medicare and Medicaid; and

WHEREAS, funds derived from the City's voter approved EMS levy, even at its maximum rate, are insufficient to fully fund EMS; and

WHEREAS, as a result, EMS must be subsidized by funds from the City's General Fund; and

WHEREAS, the City Council finds that those benefiting from the City's EMS transportation should be charged a fee to reimburse the City, at least partially, for the cost of providing the same; and

WHEREAS, the City Council finds that fees charged for EMS transportation should vary depending on services received; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF EDMONDS, WASHINGTON, DO
ORDAIN AS FOLLOWS:

Adopted. A new Chapter 5.60 ECC, Emergency Medical Service Transport Charges is hereby adopted to read as follows:

Chapter 5.60

EMERGENCY MEDICAL SERVICE TRANSPORT CHARGES

Sections:

- 5.60.010 EMS Transport Charges Imposed
- 5.60.020 Categories of EMS Transport Charge
- 5.60.030 Medicare and Medicaid
- 5.60.040 EMS Transport Fund
- 5.60.050 Policy and Financial Assistance

5.60.010 EMS Transport Charges Imposed.

A. All persons transported for emergency medical service (EMS) by the City's Fire Department emergency aid and paramedic units after December 31, 2008 shall be charged and billed by the City at rates set and adjusted as necessary by Resolution of the City Council. The Mayor or designee shall establish a procedure to bill and collect EMS transport charges. The City may contract with a billing service and/or collection agency to bill and collect the same.

B. A resident of the City, or a resident of a jurisdiction that contracts with the City for EMS, or an employee at, and transported from, a business within the City or a jurisdiction that contracts with the City for EMS, who supplies the City with information and documentation of his medical insurance policy necessary to bill his insurance provider for EMS transport charges, and who assigns his insurance benefits for the same to the City shall not be billed for that portion of the EMS transport charges that is in excess of amounts paid by his insurer(s).

C. A person who does not meet the criteria set forth above in subsection B, who supplies the City with information and documentation of his medical insurance policy necessary to bill his insurance provider for EMS transport charges, and who assigns his insurance benefits for the same to the City, shall be billed for that portion of the EMS transport charges that is in excess of amounts paid by his insurer(s).

D. A person, regardless of residence, who does not supply the City with information and documentation of his medical insurance policy necessary to bill his insurance provider for EMS transport charges because he is unable or unwilling, or because he does not have any type of insurance coverage that for such charges, or who fails to assigns his insurance benefits for the same to the City, shall be billed for the entire EMS transport charges.

E. The EMS transport charges herein imposed shall not apply to persons transported by the City's Fire Department emergency aid and paramedic units from geographical boundaries of the cities of Lynnwood, Mountlake Terrace, Brier and Shoreline or the unincorporated areas of Snohomish County other than Esperance served by Fire District #1, unless specifically authorized by interlocal agreement.

F. The use of the term "insurance" or any variation thereof in this section shall include Medicare and Medicaid.

5.60.020 Categories of EMS Transport Charge.

EMS transport charges shall consist of one of the following, in addition to a charge for each mile, or fraction thereof, that the patient is transported: Basic Life Support, Advanced Life Support Level 1, or Advanced Life Support Level 2. Such additional charges shall be established by resolution [see 5.60.010(A)].

5.60.030 Medicare and Medicaid.

Charges for the EMS transport authorized by this Chapter shall be construed and implemented in a manner consistent with applicable Medicare and Medicaid requirements, when applicable. If any method or procedures authorized by this Chapter for the purpose of establishing, implementing, imposing or collection of charges for EMS transport is found to conflict with Medicare and or Medicaid requirements, the conflicting part of this Chapter shall be inoperative to the extent the same applies to Medicare and or

Medicaid. The operation of the remainder of this Chapter shall remain unaffected.

5.60.040 Policy and Financial Assistance.

A. It is City of Edmonds' policy that ability to pay is never a condition of service. All aspects of pre-hospital service shall be provided to all patients without discrimination toward those with no ability or inadequate means to pay.

B. The Mayor or designee shall establish a program consistent with criteria and rules set forth in WAC 246-453-001 through 246-453-060 to provide financial assistance and debt forgiveness to persons that do not have the ability to pay in full for EMS transport charges imposed in this Chapter.

Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase of this ordinance.

Effective Date. This ordinance, being an exercise of a power specifically delegated to the City legislative body, is not subject to referendum, and shall take effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

APPROVED:

MAYOR GARY HAAKENSEN

ATTEST/AUTHENTICATED:

CITY CLERK, SANDRA S. CHASE

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY:

BY _____
W. SCOTT SNYDER

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO. _____

SUMMARY OF ORDINANCE NO. _____

of the City of Edmonds, Washington

On the ____ day of _____, 2010, the City Council of the City of Edmonds, passed Ordinance No. _____. A summary of the content of said ordinance, consisting of the title, provides as follows:

AN ORDINANCE OF THE CITY OF EDMONDS, WASHINGTON, ADOPTING A NEW CHAPTER 5.60 ECC EMERGENCY MEDICAL SERVICE TRANSPORT CHARGES. TO RECOVER FROM USERS CERTAIN COSTS OF PROVIDING EMERGENCY MEDICAL SERVICES TRANSPORT, PROVIDING FOR SEVERABILITY AND FIXING A TIME WHEN THE SAME SHALL BECOME EFFECTIVE.

The full text of this Ordinance will be mailed upon request.

DATED this ____ day of _____, 2010.

CITY CLERK, SANDRA S. CHASE

APPENDIX 9 – EDMONDS FREQUENTLY ASKED QUESTIONS

EDMONDS FIRE DEPARTMENT

Emergency Medical Services Transport User Fees

Frequently Asked Questions

Have a Question About a Medical Transport Bill?

**Call a Customer Service Rep
At Systems Design Northwest
800-585-5242 360-692-5242
FAX 360-698-4968
Email: info@SystemsDesignNW.com**

Is there a charge for EMS transport services provided by Edmonds Fire Department personnel?

Yes, if the patient is transported in an Edmonds Aid or Paramedic Unit to a medical facility such as a hospital.

When did EMS transport user fees begin?

January 1, 2009.

Were there EMS transport fees before January 1, 2009?

Yes. For a few months in 1997, EMS transport fees were charged when the City was part of Medic Seven. Those fees ended in November 1997.

Why is an EMS transport user fee being charged now?

To help cover the costs of providing emergency medical services to the community. Combined with funds from the voter-approved EMS levy, transport fees help move emergency medical services toward the goal of being self-supporting, with less reliance on the regular property tax.

Are there other cities in Snohomish County that charge EMS transport user fees?

Yes. We understand that every public provider of EMS transport in Snohomish County charges some form of fee. It is estimated that approximately 80 percent of public EMS providers nationwide charge transport fees.

What process did the City use to adopt EMS transport user fees?

<u>Date (2008)</u>	<u>Activity</u>
February 1 and August 18	Discussion at City Council Retreats
September 12	Fire Administration sent Council a White Paper titled <i>EMS Transport User Fees</i> , which included a virtual turnkey transport fee program based on successful programs used throughout Snohomish County
October 16	Fire Administration sent Council the <i>Financial Assistance Policy</i>
September 30 October 7, 21, and 28 November 3 and 18	Presentations, workshops, and/or public hearings held in Council chambers on 2009-2010 budget
November 18	City Council voted to institute EMS transport fees

Is the ability to pay a pre-condition for calling 9-1-1, receiving emergency care, or being transported by Fire Department personnel to the closest, appropriate medical facility for the patient's condition?

No. The ability to pay for any emergency medical service is not a pre-condition for service. Transport by Fire Department personnel is the only service that triggers the transport fee.

Can a patient refuse transport by Fire Department personnel?

Yes. Patients that refuse are asked to sign a *Refusal of Treatment And/Or Transportation Form*. When a patient is mentally impaired and/or poses a threat to themselves or others, law enforcement becomes involved and may place the person in protective custody, which may involve transport to the closest, appropriate medical facility for the patient's condition.

Will a patient receive a bill from the City if they are not transported by the Fire Department?

No. Patients that are medically evaluated but not transported by Fire Department personnel do not receive a bill for the services provided at the emergency scene.

What are the EMS transport user fees?

There are three different fees based on the level of service provided, and a charge per Loaded mile (patient on board).

Basic Life Support (BLS), Emergency – \$475. Transport by ambulance and the provision of medically necessary supplies and services, including BLS ambulance services as defined by the state (Chapter 18.73 RCW). The ambulance must be staffed by an individual who is qualified in accordance with state and local laws as an emergency medical technician basic (EMT Basic). Basic emergency medical technicians perform non-invasive, basic emergency treatment skills.

Advanced Life Support (ALS), Level 1 – \$700. Transport by ambulance and provision of medically necessary supplies and services including provision of an ALS assessment or at least one ALS intervention. Advanced life support services are medical treatment skills beyond the scope of EMTs as defined in Chapter 18.71 RCW.

Advanced Life Support (ALS) Level 2 – \$800. Transport by ambulance and provision of medically necessary supplies and services including (1) at least three separate administrations of one or more medication by intravenous push / bolus or by continuous infusion (excluding crystalloid fluids); or (2) ambulance transport and the provision of at least one of the following ALS Level 2 procedures: manual defibrillation/cardio conversion; endotracheal intubation; central venous line; cardiac pacing; chest decompression; surgical airway or intraosseous line.

Mileage Assessment per Loaded Mile – \$15.50. One-way mileage transport by ambulance with the patient on board using a map grid system from the emergency scene to the closest, appropriate medical facility for the patient’s condition. NOTE: transports other than to the closest, appropriate medical facility for the patient’s condition may result in costs not covered by the insurance provider(s).

What is meant by “medical emergency?”

The emergent and acute onset of a symptom or symptoms, including severe pain, that would lead a prudent layperson acting responsibly to believe that a health condition exists that requires immediate medical attention, if failure to provide medical attention would result in serious impairment to bodily functions and serious dysfunction to a bodily organ or part, or would place the person’s health in serious jeopardy.

What is meant by “medically necessary?”

Medically necessary means the health care services or supplies a health care provider exercising prudent judgment would provide to a person for the purpose of assessing, evaluating, diagnosing and/or treating an illness, injury or disease or its symptoms that are:

- In accordance with generally accepted standards of medical practice;
- Clinically appropriate in terms of type, frequency, extent, site and duration, and considered effective for the person’s illness, injury or disease; and
- Not primarily for the convenience of the person, physician, or other health care provider, and not more costly than an alternative service or sequence of services, or supply at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of the person’s illness, injury or disease.

Who is billed for EMS transport?

The patient transported. In most cases, however, the transported patient’s insurance company(s) – Medicaid, Medicare, and most other private insurance policies (health, auto, and/or homeowners) – will pay all or part of the charge.

Are charges for City residents, employees of businesses located in Edmonds, City Employees, and residents of Fire/EMS contract jurisdictions (Esperance and Woodway) handled differently from other patients who use EMS transport services?

Yes. Once the insurance company(s) for City residents pays the claim under conditions of the individual policy(s), the outstanding balance is assumed to have been paid by the EMS levy. Charges for employees of businesses located in Edmonds, City employees, and residents of Fire/EMS contract jurisdictions (Esperance and Woodway) receive the same balance bill waiver as City residents.

Are patients asked to sign a form at the time of service?

Yes. Patients are asked to complete and sign the *City of Edmonds Ambulance Billing Authorization and Privacy Acknowledgment Form* which includes:

1. Release authorizing the patient's insurance company(s) to be billed (Section I – Patient Signature), or a release signed by the patient's authorized representative if the patient is physically or mentally incapable of signing (Section II - Authorized Representative Signature).
2. Verification that the patient received the legally required Edmonds Fire Department *Notice of Privacy Practices*.
3. *Balance Bill Waiver Affidavit* with checkboxes indicating whether the patient resides in Edmonds, Woodway or Esperance, and/or is employed by a business in Edmonds.

What if a person refuses to sign anything but wants to be transported or needs to be medically transported immediately?

The patient will be transported immediately. The ability to pay is never a condition of service; however, in order to maintain a fair and equitable system for all users and the taxpayers, the transported patient will receive a bill.

What if the patient is not able to provide the information at that time?

Emergency personnel will attempt to get the information at the hospital, or the patient will be asked by Systems Design to provide the billing information at a later date. Patients can contact Systems Design at the phone numbers listed on the first and last pages of the FAQ.

What if a patient transported does not have health insurance, or cannot afford to pay for the service?

The ability to pay is never a condition of service; however, in order to maintain a fair and equitable system for all users and the taxpayers, the City will make every effort to accommodate those who wish to pay out of pocket, on an installment plan, or apply for relief through the Financial Assistance Policy.

Many auto and homeowner insurance policies provide some form of medical coverage. Patients should review their various insurance policies to verify the limits of coverage under each policy.

What if the insurance company refuses to cover the transport user fee?

Systems Design will help the patient demonstrate to the insurance company(s) that the transport was a medical necessity. Ultimately, however, the patient is responsible for the bill.

Does the City have a financial assistance policy?

Yes. Financial assistance – also known as a charity policy, indigent policy, and/or debt forgiveness policy – information is available at the Fire Department (www.edmondsfire.org) and City (www.ci.edmonds.wa.us) websites. Users may learn more about the financial assistance policy and request an application by contacting Systems Design Northwest, Inc – at 800-585-5242, 360-692-5242, or info@SystemsDesignNW.com.

Who is responsible for determining if a patient qualifies for financial assistance?

After Systems Design receives the application and assembles pertinent information, Fire Department representatives determine if the applicant qualifies. The financial assistance policy is modeled on those used by local area hospitals to include Federal Poverty Guidelines updated annually. Financial assistance may take several forms – payment plan, adjusted balance, or debt forgiveness.

The City recognizes that some people may have no financial means to pay an EMS transport fee and may also lack the social network and/or family necessary to help them complete paperwork required to apply for financial assistance. With this limited population in mind, the City realizes there may be individual cases where no financial assistance application is completed. When this situation occurs, the EMS transport fee may be written off and considered uncollectible.

Is there a finance charge associated with EMS transport user fee bills?

No.

Will unpaid EMS transport bills be turned over to the City collection agency?

On rare occasion, an unpaid transport bill will be forwarded to the collection agency as the City does with other uncollected debts. The decision to forward an unpaid bill to collections is made by the Finance Director and Fire Department representatives.

Do EMS transport user fees cause health insurance premiums to increase?

Nationally, EMS transport costs represent less than one percent of health-care expenditures. Other local governments that have implemented a revenue-recovery program for transport fees have reported no evidence that EMS billing increases health insurance premiums. Health insurance premiums continue to rise regardless of whether or not a community bills for EMS transports. Prescription-drug coverage, litigation, medical technology improvements, and depressed insurance company investment returns result in escalating health insurance premium costs.

Who does a patient call with questions about billing, insurance coverage, or to receive a financial assistance policy application?

Systems Design Northwest, Inc.

PO Box 3510

Silverdale WA 98383-3510

Customer Service:

800-585-5242, 360-692-5242

Fax:

360-698-4968

Email:

info@SystemsDesignNW.com

Web Site:

www.SystemsDesignNW.com

Want to contact the Edmonds Fire Department?

Business Phone	425-771-0215
Fire Chief Thomas J. Tomberg	425-771-0214, tomberg@ci.edmonds.wa.us
Assistant Fire Chief Mark Correira	425-771-0216, correira@ci.edmonds.wa.us

APPENDIX 10 –EDMONDS EMS TRANSPORT BILLING PROCEDURES

EDMONDS FIRE DEPARTMENT

SOP 103.22

STANDARD OPERATING PROCEDURES

DATE: MAY __ 2009

EMS TRANSPORT BILLING PROCEDURES

INTENT

To describe the internal emergency medical services (EMS) transport billing procedures jointly developed by the City of Edmonds Finance and Fire Departments, and implemented by the Finance and Fire Departments and Systems Design, the City billing agency.

POLICY

It is the policy of the Finance and Fire Departments to implement procedures that accurately track and audit the EMS transport billing process, and ensures that each transport is appropriately billed.

DEFINITIONS

Advanced Life Support (ALS) Level 1 is transport by ambulance and provision of medically necessary supplies and services including provision of an ALS assessment or at least one ALS intervention. Advanced life support services are medical treatment skills beyond the scope of EMTs as defined in Chapter 18.71 RCW.

Advanced Life Support (ALS) Level 2 is transport by ambulance and provision of medically necessary supplies and services including (1) at least three separate administrations of one or more medication by intravenous push / bolus or by continuous infusion (excluding crystalloid fluids); or (2) ambulance transport and the provision of at least one of the following ALS Level 2 procedures: manual defibrillation/cardio conversion, endotracheal intubation, central venous line, cardiac pacing, chest decompression, surgical airway or intraosseous line.

Alliance One is the collection agency the City currently contracts with for collection of delinquent accounts for transport fees.

Basic Life Support (BLS) is transport by ambulance and the provision of medically necessary supplies and services, including BLS ambulance services as defined by the State (Chapter 18.73 RCW). The ambulance must be staffed by an individual who is qualified in accordance with State and local laws as an emergency medical technician basic (EMT Basic). Basic emergency medical technicians perform non-invasive, basic emergency treatment skills.

City of Edmonds Ambulance Billing Authorization, Privacy Practices Acknowledgement and Balance Bill Waiver Affidavit is a two-page document comprised of four "forms." After appropriate entries are made by the patient, or his/her authorized representative, and/or the EMS crew as required, the white original is appended to the MIR, and the yellow sheet is given to the patient or his/her authorized representative. The "forms" are:

- White Sheet appended to MIR. *The signed City of Edmonds Ambulance Billing Authorization allows the City to bill the patient's insurance providers(s).*
- White Sheet appended to MIR. *The signed Balance Bill Waiver Affidavit has two check boxes. The first is the Non-Resident box (non-EMS Member); the second is the EMS Member box (City, Esperance, or Woodway resident; and/or an employee of a business located in the City).*
- White Sheet Appended to MIR. *The signed Privacy Practices Acknowledgement indicates receipt by the patient of the City of Edmonds Notice of Privacy Practices.*
- Yellow Sheet given to the patient. *The front page is a copy of the three above "forms." On the back of the sheet is the Edmonds Fire Department Customer Satisfaction Survey which the patient may complete and submit to Fire Administration.*

Demographic Document or Face Sheet contains patient information that is provided by the facility receiving the transported patient.

EMS Member is a patient who is a resident of the City of Edmonds or an employee working for an employer located within the city limits of Edmonds at the time of transport. Note: EMS member status also applies to residents of Edmonds Fire/EMS contract jurisdictions – Esperance and Woodway.

EMS Non-Member is a patient who does not qualify for EMS Member status.

Financial Assistance Policy (Attached) describes financial assistance criteria and the procedure for providing financial assistance to EMS transport patients, consistent with the requirements of WAC 246-453-001 through 246-453-060.

Medical Emergency is the emergent and acute onset of a symptom or symptoms, including severe pain, that would lead a prudent layperson acting responsibly to believe that a health condition exists that requires immediate medical attention, if failure to provide medical attention would result in serious impairment to bodily functions and serious dysfunction to a bodily organ or part, or would place the person's health in serious jeopardy.

Medically Necessary means the health care services or supplies a healthcare provider exercising prudent judgment would provide to a person for the purpose of assessing, evaluating, diagnosing and/or treating an illness, injury or disease or its symptoms that are:

- In accordance with generally accepted standards of medical practice;
- Clinically appropriate in terms of type, frequency, extent, site and duration, and considered effective for the person's illness, injury or disease; and
- Not primarily for the convenience of the person, physician, or other healthcare provider, and not more costly than an alternative service or sequence of services, or supply at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of the person's illness, injury or disease.

Mileage Assessment Per Loaded Mile is one-way mileage transport by ambulance with the patient on-board, using a map-grid system from the emergency scene to the closest, appropriate medical facility for the patient's condition.

MIR is the Medical Incident Report that comprehensively documents the medical emergency incident.

Systems Design is the company the City contracts with for EMS transport billing services.

WEBFIRS is the report-writing software program used by the Fire Department.

RESPONSIBILITIES

Various Fire and Finance Department personnel and employees of Systems Design are responsible for completing their assigned portion of the billing procedure. The Finance Director, in conjunction with the Fire Chief and/or Assistant Fire Chief, has overall responsibility to ensure that the billing procedure is followed.

PROCEDURAL GUIDELINES

Fire Department:

If physically capable, the patient is asked to sign the City of Edmonds Ambulance Billing Authorization, Privacy Practices Acknowledgment, and Balance Bill Waiver Affidavit, which allow the City to directly bill the patient's insurance provider(s) for the transport. If the patient is unable to sign the release due to physical inability, the City will bill their insurance provider(s) as a courtesy to the patient.

After each transport is completed, and the patient has arrived at the receiving facility, the Fire Department employee responsible for patient care during transport will obtain a patient demographics document (face sheet) from that facility and append it to the front of the MIR.

Weekly, the Fire Department makes available to the Finance Department paper-clipped individual "incident report"(s) in the marked tray in the Fire Administration Copy Room consisting of:

- Demographic document (face sheet) with the level of service entered in longhand in the lower right corner
- City of Edmonds Ambulance Billing Authorization, Privacy Practices Acknowledgment, and Balance Bill Waiver Affidavit
- MIR
- Computer-Aided Dispatch Report (CAD Report)
- Additional documents appended to the MIR unique to the incident

Finance Department:

1. Prints a Batch Log for a specified period from WEBFIRS, previously entered by Fire personnel or auto-populated, that contains the following information on billable calls:
 - A. Item number in the Batch Log
 - B. Date of service
 - C. Incident number
 - D. Number of patients
 - E. Patient name

- F. Level of service provided
 - G. Transport unit
 - H. Destination
 - I. Mileage
 - J. Individual patient charge
 - K. Total amount of charges for the Batch Log period.
2. Copies the demographic document/face sheet (one page).
 3. Copies the City of Edmonds Ambulance Billing Authorization, Privacy Practices Acknowledgment, and Balance Bill Waiver Affidavit (all on one page).
 4. Copies the MIR (one page).
 5. Reconciles Batch Log items 1B through 1H above with items 2, 3, and 4 above. Questions about reconciliation are directed to the Assistant Chief, Day Battalion Chief, Fire Chief, and Executive Assistant in that order.
 6. Mails a copy of the reconciled Batch Log and copies of items 2, 3, and 4 to the contact billing agency for bill processing.
 7. Returns the original demographic document (face sheet); the original City of Edmonds Ambulance Billing Authorization, Privacy Practices Acknowledgment, and Balance Bill Waiver Affidavit; the original MIR; Computer Dispatch Report (CAD Report); and any additional documents appended to the MIR back to the Fire Department along with a copy of the reconciled Batch Report for the period.
 8. Retains the reconciled Batch Log for Finance Department internal controls.

Contract Billing Agency:

Upon receipt of the patient information, the contract billing agency sets up accounts and charges are calculated and entered within three days. Once this entry is completed, all charges with sufficient insurance information are billed directly to the patient's insurance provider(s); those accounts without sufficient information are billed directly to the patient along with a form requesting insurance information.

If the patient is an EMS member, or meets EMS member criteria, the contract billing agency will send a bill reflecting all transport charges to the patient's insurance provider(s). After all appropriate insurance payments have been received, any outstanding balance will be assumed to be paid by the EMS levy. If the EMS member patient has no insurance, the bill will be sent to the patient. The City and contract billing agency will make every effort to accommodate patients who wish to pay out of pocket, on an installment plan, or apply for relief through the Financial Assistance Policy.

If the patient is not an EMS member, the contract billing service agency will send a bill reflecting all transport charges to the patient's insurance provider(s). After all appropriate insurance payments have been received, the patient is billed directly and is responsible for any outstanding balance not paid by his/her insurance provider(s). If the patient has no insurance, the bill will be sent to the patient. The City and contract billing agency will make every effort to accommodate patients who wish to pay out of pocket, on an installment plan, or apply for relief through the Financial Assistance Policy.

At the current time, there is no patient charge when Edmonds units transport patients from

automatic aid jurisdictions – most frequently the unincorporated area served by Fire District 1 other than Esperance, and Lynnwood, Mountlake Terrace, Mukilteo, and Shoreline.

If an EMS Member or Non-EMS Member patient refuses to sign the document that authorizes billing, or states that they have no insurance, are unemployed, or are a self-pay, the patient will receive a bill. The City and its contract billing agency will make every effort to accommodate patients who wish to pay out of pocket, on an installment plan, or apply for relief through the Financial Assistance Policy.

Items billed directly to an insurance company are reviewed monthly by the billing agency. Rebilling and additional information is provided as necessary by the billing agency to the insurance company (s). After all appropriate insurance payments have been received, a private statement is generated and mailed to the patient under federal and City policy, if there is a legally collectable balance.

The City does not bill for air ambulance support transports, or if the patient expires at the incident scene or during transport between the incident scene and arrival at the receiving facility.

Patient inquiries are handled via a nationwide toll free telephone line to the contract billing agency. All contract billing agency employees are cross-trained on all accounts, so the person answering the phone are usually able to handle the patient's questions without having to forward that call to someone else.

Payments are typically mailed directly to the contract billing agency's post office box. Payments are made payable to the City of Edmonds Fire Department. Payments sent to the contract billing agency's office are deposited in a bank account established by the City of Edmonds, with copies of the deposit slip mailed to the City. The contract billing agency has "deposit only" access to this account.

The contract billing agency initiates any refunds to patients or insurance companies by patient submittal of a "Refund Request Form," along with supporting documentation. Refunds are processed through the established City process for accounts payable.

As long as a patient has a private balance owing, they will continue to receive monthly statements until the account is paid in full or determined to be uncollectible. It is understood that some accounts will carry over into subsequent fiscal years, and some, for instance, installment plan accounts, may take many months to collect.

If the contract billing agency has received no payment and no contact from the patient after the second statement is mailed, they will attempt to make phone contact to encourage the patient to set up a payment plan. The contract billing agency explains that there are no finance charges and even a small monthly payment demonstrates the patient's good faith effort to pay the outstanding balance.

For those accounts that result in mail returned or phone disconnected (no response), the contract billing agency will make a final call to the receiving hospital to see if they have any updated information. Typically, these accounts have already been turned over to collections or been written-off by the hospital. If the patient received some level of financial assistance from the hospital, a Financial Assistance Policy application is mailed to the patient. In the rare situation that the hospital has new billing information, the contract billing agency will follow up with this information. If no further information is available from the hospital, these accounts are deemed uncollectible.

For patients owing \$100 or more who have not responded prior to the mailing of the fourth statement, a collection notice is sent with the fourth and final statement by the contract billing agency. This notice includes a date by which the patient must respond to avoid collections. If no response is forthcoming, the account is then turned over to Alliance One by the City for follow-up and adjustment off the accounts receivable. If no correct address is available, the account is sent directly to Alliance One without this notice.

Accounts of \$99.99 or less are adjusted off the accounts receivable by the contract billing agency. A list of patients whose accounts are deemed uncollectible is available in the monthly reports sent to the City by the contract billing agency.

If a patient has returned a financial assistance application to the contract billing agency, it is forwarded to the Fire Department Assistant Chief/Medical Services Administrator (MSA) with any other pertinent information regarding the account and a recommendation. The Fire Department MSA and/or Fire Chief are responsible for reviewing this information under the guidelines set forth by the Financial Assistance Policy. If a patient is to receive a financial adjustment, the MSA or Fire Chief sign a form authorizing the modification and faxes it back to the billing agency.

Once per month, after the final charges for the month have been entered, a month-end process is performed to generate the monthly private statements, age the accounts receivable, and produce the monthly reports that are sent to the City by the contract billing agency. The reports detail the monthly activity on the City's accounts.

The above are guidelines. Because the contract billing agency works closely with patients and the Finance and Fire Department staffs to resolve billing issues, there will be situations that require a reasonable degree of flexibility.

MORE INFORMATION

To make EMS patient care and transport billing as transparent as possible to the public, the following documents are available on the City and Fire Department websites,

- *Frequently Asked Questions*
- *EMS Transport User Fees White Paper*, September 12, 2008
- Edmonds Fire Department *Financial Assistance Guidelines*, October 16, 2008
- Edmonds Fire Department *Notice of Privacy Practices*

REFERENCES

References for Fire personnel include:

- SOP 103.12 Acquiring EMS Transport Information
- SOP 103.19 Medical Incident Reporting
- SOP 104.10 Protected Healthcare Information Health Insurance Portability and Accountability Act.

ATTACHMENT

The Financial Assistance Policy is attached and made part of this SOP by reference.

Thomas J. Tomberg
Fire Chief

Kathleen Junglov
Finance Director

CITY OF EDMONDS FINANCIAL ASSISTANCE POLICY

The following criteria for provision of financial assistance to EMS Transport Users are consistent with the requirements of WAC 246-453-001 through 246-453-060.

Policy

It is City of Edmonds and Fire Department policy that ability to pay is never a condition of service. All aspects of pre-hospital service will be provided to all patients without discrimination toward those with no or inadequate means to pay.

The most recent Federal Poverty Guidelines (updated annually in February) shall be used to implement a process for debt forgiveness. The Fire Department and/or its designated agent(s), following guidelines described below, reserve the right to extend debt forgiveness to persons unable to complete the required application process.

Financial Assistance applications are available upon request through the EMS billing company who is responsible for obtaining approval signatures for write-offs from the Edmonds Fire Department at the time that each application is processed. The billing company will report financial assistance account activity, and the amount of EMS fee debt forgiveness (written off) to the City and the Fire Department on a regular basis.

Definitions

Debt Forgiveness is canceling a debt owed to the City for EMS services rendered, either partial or in full.

Financial Assistance is the provision of medical assistance to persons without the ability to pay for such services, either partial or in full payment, and is also known as Indigent Care.

Responsibilities

The billing company ascertains whether those persons claiming to need financial assistance, actually meet criteria according to the current Federal Poverty Guidelines. These guidelines are the same criteria used by hospitals to establish the need for economic assistance.

It is the responsibility of the billing company to notify the Fire Department of the existence of such accounts. Supplemental information, such as income level, cost of living, etc. is also provided.

It is the responsibility of the Fire Department EMS Administrator to review the documentation requesting debt forgiveness according to the financial assistance guidelines. The EMS Administrator signs the approval document and faxes it back to the billing company. A copy of this request is kept on file for future reference at both locations. The City is kept informed of the financial assistance account activity on a monthly basis.

Guidelines

- A. Criteria for determining the financial status of applicants for debt forgiveness assists in making consistent and objective decisions regarding the eligibility for financial assistance, and ensures maintenance of a sound financial base and fairness to all EMS transport service users.
1. Service Categories. Emergency medical services will be provided for persons needing financial assistance.
 2. Eligibility Criteria. Debt forgiveness is secondary to all other financial resources available to the patient including insurance, government programs, third party liability, and liquid assets.
 3. Full debt forgiveness will be provided to a patient with a gross family income at or below 100% of current published Federal Poverty Income Guidelines.
 4. A partial debt forgiveness schedule will be used to determine financial assistance according to current published Federal Poverty Income Guidelines.
 5. Debt forgiveness may be provided to a responsible party with gross family annual income greater than 200% of the federal poverty guidelines if circumstances such as extraordinary non-discretionary expenses, future earning capacity, and the ability to make payments over an extended period of time warrant consideration.
 6. Reasonable payment arrangements, consistent with the eligible responsible party's ability to make payments, will be extended for amounts not eligible for debt forgiveness. Up to four monthly payments without interest may be arranged. The Fire Department reserves the right to revoke any debt forgiveness and assign all unpaid balances to collections if an extended payment agreement is in default.
- B. Eligibility Determination. Requests for consideration may be proposed by sources such as physician, community or religious groups, social services, hospital personnel, the patient, guarantor, or family member. The Fire Department will use an application process through their billing company to determine initial interest in and qualification for financial assistance. The Fire Department's decision to provide debt forgiveness in no way affects the responsible party's financial obligations to physicians or other healthcare providers.
1. The Fire Department shall base their decision of eligibility based upon the data gathered via the billing company along with their recommendation.
 2. Applications for debt forgiveness are available through the billing company upon request.

3. Criteria for meeting debt forgiveness eligibility are verified through utilization of the current Federal Poverty Guidelines which are also utilized by most healthcare institutions. The billing company utilizes documentation provided by the patient to verify the need for debt forgiveness. Such documentation may include tax returns, payroll check stubs, letters of verification of absence of income from responsible parties, etc.
4. All documentation is forwarded from the billing company to the Fire Department for review and approval for those cases that meet financial assistance criteria. The request is signed by the Fire Department EMS Administrator and returned to the billing company. A copy of the documentation is kept by the Fire Department.
5. A letter of denial is sent by the billing company on behalf of the Fire Department to those persons not meeting Financial Assistance Policy requirements.
6. Appeals. The responsible party may appeal the determination of eligibility for debt forgiveness by providing additional information of verification of income or family size to the billing company.
7. The City and the Fire Department realize that certain persons may have no financial means to pay for their EMS transport, but also lack the social network/family necessary to help them complete any paperwork required to apply for financial assistance. It is with this limited population in mind, that the City/Fire Department realizes that there may be individual cases in which there will be no application process completed. The billing company will notify the EMS Administrator when these situations occur.

Attachments

2008 Federal Poverty Guidelines
Financial Assistance Application Form

2008 Federal Poverty Guidelines

Family Size	100% Charity	75% Charity	50% Charity	25% Charity
1	\$10,400.00	\$13,000.00	\$15,600.00	\$18,200.00
2	\$14,000.00	\$17,500.00	\$21,000.00	\$24,500.00
3	\$17,600.00	\$22,000.00	\$26,400.00	\$30,800.00
4	\$21,200.00	\$26,500.00	\$31,800.00	\$37,100.00
5	\$24,800.00	\$31,000.00	\$37,200.00	\$43,400.00
6	\$28,400.00	\$35,500.00	\$42,600.00	\$49,700.00
7	\$32,000.00	\$40,000.00	\$48,000.00	\$56,000.00
8	\$35,600.00	\$44,500.00	\$53,400.00	\$62,300.00

For each additional family member:

Add	\$3,600.00	\$4,500.00	\$5,400.00	\$6,300.00
-----	------------	------------	------------	------------

Individual Written Notice of Financial Assistance

It is the policy of the City and the Fire Department that no person will be denied needed emergency medical care because of an inability to pay for such services. The Fire Department will provide needed emergency services without charge or at a reduced charge and without discrimination to those persons with no or inadequate means to pay for needed care.

To be eligible to receive needed ambulance services without charge or at a reduced charge, you or your family's annual income must be at or below certain levels established by national poverty guidelines for this area. If you think you may be eligible for Financial Assistance, please contact:

Systems Design
800-585-5242 360-692-5242
FAX 360-698-4968
www.SystemsDesignEMS.com

You will be notified of any reduction in your bill once your application has been reviewed.

Sample Financial Assistance Application Form

Patient's Name	Contact Phone #
Date of Service	
Transported to	

Responsible Party	
Name	
Relationship	
Current Employer	
Employed From	
Previous Employer	
Spouse Employer	
Employed From	
Previous Employer	

Income	Family Member 1	Family Member 2	Family Member 3	Family Member 4
Name				
Relationship				
Wages				
Self Employment				
Public Assistance				
Social Security				
Unemployment				
Worker's Comp.				
Alimony				
Child Support				
Pension/Retirement				
Dividend Income				
Rental Prop. Income				
Other Income (detail)				
Total Income				

The above information is true and correct to the best of my knowledge. I authorize the City of Edmonds Fire Department to verify for the purpose of financial assistance eligibility determination.

Signature (Patient or Responsible Party)

Date

Current Account Balance	Adjustment (by Fire Department)	New Balance

Signature (Fire Department)

APPENDIX 11 -- EDMONDS EMS TRANSPORT BILLING PROCEDURES STANDARD OPERATING PROCEDURE

City of Edmonds General Billing Procedure and Criteria

Below are recommended and required criteria for guiding the user fee billing process.

1. The ability to pay will never be a condition of EMS service, whether pre-emergent preparedness, emergency response, medical care and treatment at the scene, and/or EMS transport of a patient to a hospital.
2. It is the intent of billing for use of the EMS transfer service that the revenues generated in combination with proceeds from the EMS levy will move toward the goal of making the EMS delivery system self-supporting.
3. All persons transported by the Edmonds Aid and/or Paramedic Units shall be charged for all services provided by the Fire Department except as indicated in the above section (4. Automatic Aid jurisdictions). Each person transported will be billed for all services rendered by the Fire Department. EMS members and nonmembers shall be billed at the same rate.
4. Billing is applied within and among each user class in a fair, equitable, and consistent manner.
5. Eligible recipients of Medicare and Medicaid are billed to the maximum rate allowed under applicable requirements and guidelines of the Medicare and Medicaid programs.
6. Every user shall have the opportunity to pay for EMS services rendered. Failing to bill every user or their insurer(s) as described within each class description is unfair to all users with or without insurance who make reasonable efforts to pay their debts under a variety of federal, state, and private insurance programs, and/or out of their own pockets as a lump sum or by installment.
7. The Fire Department will provide EMS transport services to a wide variety of users – EMS members and nonmembers, residents and nonresidents, insured and uninsured, and cooperative and uncooperative. For these reasons the City or its billing contractor must have wide latitude in sending out bills to recoup the cost of service provision. The more exceptions to transport billing, the more difficult it is to administer the program, collect fees to maintain a self-supporting service, and ensure uniformity, equity, and fairness within and among different user classes.
8. The difference between fees for services provided and the amount collected within billing parameters established by Council from all reasonable, available, and legal sources is deemed uncollectible and shall be reported as such on an annual basis.

APPENDIX 12 – EMS REQUIRED BILLING ITEMS

Required Information for Ambulance Billing

Good information is the key to effective collections. Complete information will lead to:

- ❖ Faster receipt of payment
- ❖ Less uncollectible accounts
- ❖ Less contact with the patient to try to retrieve missing information

As a guideline, here are the minimum required items we need on each transport:

- ❖ Patient Name
- ❖ Patient Address (including city, state and zip code)
- ❖ Date of transport
- ❖ Incident Location of transport (street address, city, state and zip code)
- ❖ Level of service
- ❖ Charges
- ❖ Pre hospital Care Report, specifically the portion explaining the reason for the call, treatment provided, assessment, etc. (SOAP format).

Not mandatory, but highly recommended:

- ❖ Patient Date of Birth (mm/dd/yyyy)
- ❖ Patient Social Security Number
- ❖ Insurance information
- ❖ Hospital Admitting Form

IMPORTANT!

The patient's signature is also required, although we do not need a copy for our billing. It is the responsibility of the Fire District to maintain patient signatures which authorize billing and now signify compliance with the new HIPAA regulations.

APPENDIX 13 – PREPARING FOR EMS BILLING CHECKLIST

Preparing for Ambulance Billing

The following checklist will guide you through the steps necessary to implement an organized ambulance billing system. Many of the steps may have already been completed, while others may not apply to your situation. In most cases, it is not necessary to complete one step before proceeding to the next; however, we have listed the most critical items at the beginning. Please feel free to call our office for assistance in any of the following items.

Apply for State EMS License

The obvious first step is to make sure you are licensed to provide ambulance services in your state at the level you plan on providing. Additionally, there may be local licensing or regulations you may be required to follow. A copy of your state license is required to be submitted with your application for a Medicare Provider Number, so it should be acquired as soon as possible.

Determine if new Tax ID number required

Often times a Fire Department or District uses the Tax ID number of the City or County when conducting business. This can lead to problems when billing for ambulance transports as most insurance companies use the Tax ID number to determine whom a payment goes to. They may have already set up another entity under that Tax ID number, such as a Health Department or another Fire District. Trying to use the same number can cause payments for you to go to other providers, while some of their payments will end up being sent to you. It may be possible to use the City's Tax ID number for a City based Fire Department, but County Fire Districts must each be assigned a unique Tax ID number. Note: this determination must be made prior to completing the Medicare Provider Number application.

Contract with Billing Agency (if applicable)

If you decide to use the services of a professional billing agency, it is a good idea to get them involved in the process as early as possible. They will be able to assist you in many of the following steps, saving countless hours and avoiding some mistakes along the way. Obviously, we would like to have the opportunity to discuss our qualifications with you, but even if you decide to bill in-house, please feel free to call us with questions you may run into. We've done this many times, no sense reinventing the wheel.

Apply for Medicare Provider Number

The Medicare Provider Enrollment application is a daunting 45 page document. Much of The required information is redundant and many sections don't apply to ambulance providers. As a service to our clients, we can assist you in the completion of this document. You simply complete a one-page form and we take it from there. We return the (almost) completed Medicare Provider Number application to you with indications where you need to sign or complete some additional information. This service is guaranteed to save you

many hours of your valuable time. Once Medicare has your application, it can take 8 - 12 weeks before you are assigned your provider number. However, you can begin transporting patients prior to receiving your number, you will just have to hold any Medicare claims until the number is assigned.

Apply for other Provider Numbers (after receiving Medicare Number)

You will need to apply for provider status with all the other insurance companies and government agencies (Medicaid, Labor & Industries, etc.). The good news is that these applications are considerably simpler than the Medicare application. The bad news is that many require a copy of your Medicare Provider Number before they will consider you for participation. For Systems Design clients, we will take care of all these applications for you.

Appoint HIPAA Officer

HIPAA - The **H**ealth **I**nsurance **P**ortability and **A**ccountability **A**ct has some very specific requirements having to do with patient confidentiality and how patient records are maintained. You will be required to train all your personnel who will have any contact with patients or their protected health information. The HIPAA Officer is responsible for making sure you meet all the requirements of the HIPAA regulations, including Business Associate Agreements with billing agencies, hospitals, mutual aid agencies, etc.

Establish rates

Medical billing is a very strange animal. In what other business would you find the scenario where you bill \$400.00 for a service, are told you can only legally collect \$300.00 of it and you have to bill three different places to get that? It makes budgeting very difficult. You cannot simply take your expected expenses and divide it by your expected number of transports and determine the rate to bill. If you do so, you will certainly fall short of meeting your expenses.

In order to come up with a reasonable charge, you need to determine what your expected collection rate will be. One of the most important factors in this determination is what your local demographics are. For example, do you have a large number of retired people? Do you have a high level of unemployment? Do you have a major employer in your coverage area, and if so, do they have a majority of well paid workers or are they mostly low wage earners? All these things factor into the equation. We can certainly help in this area. We recommend being fairly conservative to begin with. After you have six to twelve months of history to review, it becomes much easier to do projections based on real data.

Determine Billing/Collection Policies

Some of the questions to be addressed are:

- How aggressively will we pursue delinquent accounts?
- Will we use a collection agency?
- Will we bill our residents for out-of-pocket expenses?
- Will we have a charity policy?
- Do we want to assess finance charges?

It is best to establish these policies before they become an issue. Of course, we manage each of our client accounts based on their own unique policies. Sample Billing/Collection Policies are available to assist you in this area.

Develop Signature/Release of Benefits form (usually included on MIR)

It is mandatory to get the patient's signature in order to submit bills on their behalf. If the patient is unable to sign, certain other individuals may sign for them. You are also now required to have the patient sign to indicate that they have received a copy of your Privacy Policy (HIPAA). It is also a good idea to have the patient sign to indicate they are financially responsible for the transport charges. The best way to handle all of these requirements is to develop one all-inclusive document.

Determine Charity Policy / Charity Form

Many ambulance providers have established a charity policy that can be offered to a patient when they are uninsured and/or unable to pay their portion of the bill. Often times they coordinate their charity policy with the local hospital, using the same evaluation criteria (family income, size of household, etc.) Again, it is best to have this policy in place before it is needed.

Determine Billing Policy for transporting Fire Department employees/families

Some clients, as a benefit to their employees, have decided that if an employee requires a transport, they will not be billed. Others extend it to their employee's immediate family members. Some have decided to accept whatever their insurance pays as payment in full. Sooner or later it will happen. It would be very embarrassing if the Fire Chief's wife were sent to collections because she just assumed her transport would be 'taken care of' so she ignored her bill!

Develop procedure for getting hospital 'face sheets'

A very important part of the billing process involves getting a copy of the hospital 'face sheet' or admit form. This document contains a great deal of patient demographic information, as well as current insurance numbers. Used in conjunction with the Medical Incident Report, it provides the billing department with the information necessary to be most efficient in the billing process.

There will be times when the ambulance crew is unable to get a copy of the face sheet immediately. Most hospitals are willing to set up a procedure for getting them to the crew the next time they are in. Typically they establish a location (drawer or tray) that the crew will check each time they are at the ER. Others have agreed to fax them to the station when they become available.

Contract with Collection Agency (if applicable)

If you decide to send delinquent accounts to a collection agency, you must determine when an account should be turned over and establish the procedures for getting the accounts to them. Will they be sent directly from the billing service, or will the billing service return them to your office for the final determination? Different collection agencies offer different types of programs and charge different rates, so it pays to have several make proposals to determine which one best fits your needs.

Train employees in completion of required billing information

One of the most important issues in achieving an excellent collection rate is to start off with good information. If the ambulance personnel are trained in the proper completion of the forms, it will make for a much smoother transition into the billing arena.

Establish internal audit procedures

Whether you choose to use a billing service or do your billing in-house, it is very important to establish internal audit procedures and controls. Separation of duties in the cash handling area, verification that all transports get billed and audit of complete financial histories of randomly selected transports are all part of a good internal audit. You don't want to be in the position of implementing an internal audit policy when the state or county auditor is sitting in your office.

☐ Determine banking procedures

Do you already have a bank account that can be used for the EMS deposits or will you need to establish a new one? It is very important that you be able to identify exactly how much revenue has been generated by the EMS transports. If you will be using an existing account, controls must be established to be able to reconcile the deposits with the billing system. If using a billing service, you will need to provide them with a supply of deposit books, as well as a deposit stamp. You may also wish to coordinate with your bank to allow you or your billing service to accept payments by credit card.

**Systems Design Northwest, Inc.
PO Box 3510
Silverdale, WA 98383-3510**

**(360) 692-5242
(800) 585-5242
(360) 698-4968 Fax**

www.SystemsDesignNW.com



APPENDIX 14 – CLASSES OF USERS

Classes of Users

Many of the cities and fire districts that have adopted EMS fees have also identified several classes of users to guide billing and collection procedures. These user classes are primarily intended to identify city residents who already contribute to the funding of the fire department's operating and capital costs through their property taxes.

- EMS Members. City residents and those in EMS contract jurisdictions who sign a City-approved form that contains an assignment of insurance benefits to the City, together with an appropriate release of medical information.
- Non-Members Category A. Persons who do not meet EMS membership criteria who sign a City-approved form that contains an assignment of insurance benefits to the City, together with an appropriate release of medical information.
- Non-Members Category B. Persons, regardless of residence, who refuse to sign or are unable to sign a City-approved form containing an assignment of insurance benefits to the City; refuse to provide any insurance information; and/or who state that they have no insurance.

EMS Membership

EMS membership is offered by EMS personnel and signed by the patient or authorized representative at the time of the medical emergency. It is part of the EMS incident documentation process.

EMS membership ceases when the patient no longer meets any of the established membership criteria, or refuses to sign the membership/ release/assignment forms.

Billing Within the Recommended User Classes

- EMS Members. All bills are sent to the patient's insurance carrier(s). EMS membership permits that portion of a transport bill not paid by a primary or secondary insurer, supplemental insurer, third-party insurer, Medicare, Medicaid, or any other insurance or medical benefits available to the member to be deemed as having been paid by the EMS property tax levy on owners of property in Kirkland.
- Non-Members Category A. Includes persons who sign appropriate forms. All bills are sent to the patient's primary or secondary insurer, supplemental insurer, third-party insurer, Medicare, Medicaid, and/or to any other insurance or provider of medical benefits available to the patient. A bill indicating the unpaid balance is sent to the patient's residence. The City may contract with a collection agency to bill and collect unpaid transport user fees for services rendered as appropriate, or pursue non-payment as a civil enforcement instituted by the City Attorney.
- Non-Members Category B. Includes persons who, regardless of residence, refuse to sign or are unable to sign appropriate forms; refuse to provide any insurance

information; and/or who state that they have no insurance. All bills are sent to the patient's residence. The City may contract with a collection agency to bill and collect unpaid transport user fees for services rendered as appropriate, or pursue non-payment as a civil enforcement instituted by the City Attorney.



CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kirkland City Council

From: J Kevin Nalder, Fire Chief

Date: March 4, 2010

Subject: Medical Transport Fee Contract Approval

Recommendation

Council considers hiring a third party consulting firm to provide a complete, thorough, and unbiased analysis of a Medical Transport Fee Program for the City. Management Partners Inc. was recently hired by the City of Renton to perform a Medical Transport Fee analysis. Therefore, I recommend considering them as the preferred consulting firm to perform the analysis, in an effort to save cost, expedite the turnaround time of the study, and utilize data that has been collected in our region already. Attached is a Proposed Scope of Work provided by Management Partners Inc. In the Scope of Work they have quoted \$12,400 as the total fees and expenses to complete the work. They anticipate the project will take 80 hours of professional consulting assistance to complete.

Purpose

Fee for Emergency Medical Service is increasingly being used by Cities in the State of Washington and across the United States to recover the cost for this service from insurance companies and users of the service. A proposal to recover revenue through a mechanism of a fee for Basic Life Support transport has been presented to the Public Safety Committee (PSC) and the Finance Committee. They have asked that a proposal to have a third party consultant hired to further the research be presented to the full Council as an agenda item during Council meeting.

Background

Issue

In our current economic environment governments and their fire departments are facing declining tax bases and resources while trying to maintain timely and high-quality emergency responses to their constituents. Specifically, in order for the Kirkland Fire Department to maintain the current standard of service we must also maintain current minimum staffing levels. Based on 2009 budget data we are facing an anticipated budget shortfall in 2010 of \$200,000 if we are to maintain the current minimum staffing levels through the end of the year. This is coupled with a "hard cap" on the overtime budget as a result of the City's anticipated 2010

budget shortfall. Once the overtime budget for the year has been spent, strategies will need to be considered including a policy to brownout fire stations based upon staffing fire stations with only firefighters scheduled to work that day.

Emergency Medical Service

Emergency Medical Service to our community consists of a tiered level of response requiring Advanced Life Support (ALS), Basic Life Support (BLS), or a combination of both. Calls for Advanced Life Support require personnel trained to the level of Paramedic. Calls for Basic Life Support require personnel trained to the level of Emergency Medical Technician (EMT). ALS is fully funded in King County through the Medic One Levy. A portion of BLS is funded by the Medic One Levy.

Kirkland Levy Revenue

2008 - \$ 793,023
2009 - \$ 836,938
2010 - \$ 831,434

Kirkland Fire Department (KFD) is the Emergency Medical Authority in the City of Kirkland and Fire District 41. We are designated first responders to EMS calls. KFD firefighters are all trained to the level of EMT. KFD responds to EMS calls in four cross staffed Aid Units, one dedicated staffed Aid Unit, and one Aid Unit staffed part time with Reserve Firefighters.

Patients are triaged to be transported to a hospital via one of three transport modalities.

- Medic One ALS Aid Unit
- KFD BLS Aid Unit
- Private Ambulance BLS Transport

Data averaged over the past five years show calls for EMS account for seventy percent of KFD total call volume. The Kirkland Fire Department responded to 5,248 BLS calls in 2009. KFD transported 3,404 of those patients, and utilized a private ambulance to transport 103 of those patients.

Preliminary Research

In order to determine the feasibility of a Fee for Transport (FFT) program the KFD Fire Chief queried the King County and Snohomish County Fire Chief's to determine which agencies had implemented a FFT program. Next, a questionnaire was sent to those agencies soliciting experience and input regarding the opportunities and obstacles encountered during implementation of a FFT program. KFD also gathered national insurance data. This data was then used to determine what the potential revenue could be from implementing a FFT program.

Regional Transport

Snohomish County:

- 23 dept's currently charge fee for transport
- 2 performing feasibility studies (Edmonds, Lynnwood)

King County:

- 3 dept's charge (Bothell, Maple Valley, Valley Regional)
- 1 performing feasibility study (Renton)

Seattle:

- Contracting out all transport

Regional Experience

- Revenue is considered justifiable
- Non-payment is accepted and written off
- Minimal citizen objection (Most citizens already pay insurance premiums and the impact is mostly on insurance companies)
- Difficult change for Firefighters
- Contracted billing agency is important
- Additional staffing to cover in-house admin. is necessary

Who Covers the Fee Nationally?

- Medicare coverage = 29.7%
- Private Insurance = 25.5%
- Other = 17.7%
- Medicaid coverage = 15.5%
- Patient self pay = 11.6%

Average collection rate = 72%

Kirkland Transports

3,404 BLS Transports in 2009

- City - 53%
- District - 47%

Citizens currently pay no additional cost for transport

Potential Revenue using Average Regional Fees

Basic fee @ \$500/transport x 3,404 transports/yr.	\$1,702,000
Mileage @ \$12.00/mile x 8,500 transport miles/yr.	<u>\$ 102,000</u>
Possible gross revenue	\$1,804,000

Expected Revenue using Average Fee Recovery Rate

Average amount of billing recovered = 56%

Collection rate less insurance adjustment & individual non-pay

Kirkland estimated revenue

Possible Gross Revenue \$1,804,000 x 56% = \$1,010,240

FFT Program Expenses

Administrative Assistant to administer program	\$ 75,000
Printing forms & brochures	\$ 1,000
Contracted billing service @ \$22/transport	<u>\$ 74,900</u>
Total FFT Expenses	\$150,900

Kirkland Estimated Net Revenue

Collected Gross Revenue	\$1,010,240
Less FFT Program Expenses	<u>\$ 150,900</u>
Net Revenue	\$ 859,340

FFT Opportunities

- Recover medical insurance payments from patients paying insurance premiums covering fee for transport to hospitals
- Revenue to bridge current fire department budget gap to maintain current minimum staffing
- Revenue to improve EMS to citizens by converting cross staffed Aid Units to dedicated staffed Aid Units. Improving the availability of Fire Units for all other hazard responses including EMS calls also increases our capabilities to respond.

FFT Obstacles

- Firefighters perceive a change in relationship with their patients
- Some patients may be discouraged from calling for medical aid
- Some citizens may object to a new fee
- May create additional paperwork for firefighter at the scene

Elements for FFT Program Success

- Professional survey to assess citizen response
- Contract with highly rated billing agency
- Minimum 1 FTE program administrator
- Adopt successful policies, procedures, materials
- On-going community education
- Personnel training; on-going refreshers
- Annual program evaluations

City Consideration

- Timing of introducing fee for transport
- Willingness to undertake City-community change
- Preparedness for dealing with internal/external objections
- Willingness to take steps and assume expenses necessary to succeed



MANAGEMENT PARTNERS

I N C O R P O R A T E D

January 20, 2010

Chief J. Kevin Nalder, Director of Fire and Building
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033-6189

Dear Chief Nalder:

It was a pleasure to talk with you yesterday regarding an analysis and evaluation of fee and revenue generation options related to EMS services in order to help support fire and emergency service provision. In what follows I have updated an earlier proposal we had provided to the City in August of 2009.

Management Partners would be pleased to help the City of Kirkland develop revenue projections for proposed EMS fees for your Fire Department. As a result of our conversation, we understand that you are interested in an analysis of potential revenue generated by new EMS transport fees. Management Partners will develop these revenue projections based on our experience and research with peer cities and nationwide best practices. We will also make recommendations about implementing and administering the new fee program.

EMS fees have been charged for many years by cities and others who provide basic and advanced on-scene life support services and transport. The fees are intended to recover a portion of the cost for services that are rendered during an emergency medical response. As the cost for public safety services continues to rise and local governments face difficulty funding basic services, cities have begun to examine (and some have enacted) fees for public services to recover some of the costs incurred with the provision of such services. The rationale is to charge a portion (or all) of the cost of some services to the users of the service. This is especially true for non-fire suppression services that are not linked to property or supported by property taxes and are likely to be used by non-residents.

Proposed Scope of Work

The following scope of work outlines our approach. We are confident that it will provide the results you are seeking. Upon completion, you will have the information you need to establish an EMS fee program that will recover a portion of the costs to users of non-fire suppression services.

Activity 1 – Start Project

Our project will begin with a careful listening phase designed to identify and clarify the desired outcomes of the project. I will meet with appropriate Kirkland officials to review the proposed project schedule and scope of work. The purpose of this meeting is to ensure that both are well-drawn to accomplish management's objectives in a timely fashion, while considering the existing work commitments that staff must address. In addition during this initial meeting we will identify what cost effective and appropriate public outreach efforts can be made as part of the project in

Activity 2 to help inform the recommendations which will be developed in subsequent phases of the work. It will also ensure that we identify the communication process and contacts for both Management Partners and the City.

Activity 2 – Collect and Analyze Data

We will begin this activity by requesting information and data regarding the City's fire and EMS operations. We will review the annual budget, operating policies and procedures, performance reports and other pertinent documents. Incident response data will be critical so we can analyze the composition of the workload and identify specific costs included in major service categories.

Management Partners will calculate recommended service fees using the number of incidents and the market rates in the Seattle region. Based on the recommended fees, we will then calculate the annual estimated net revenue to be produced by the fees. The proposed fee schedule will be reviewed with the appropriate City staff and then modified as necessary.

During this phase of the project we will also initiate some limited public outreach efforts in partnership with the Department to ascertain the issues and objectives that members of the public may have with respect to the proposals to be developed as recommendations

Activity 3 – Research Best Practices

Fees for EMS services are quite common in Snohomish County but less so for King County. However, given the current decline in general revenues; we expect more cities to rely on EMS fees to cover some of the cost for EMS services.

Management Partners will gather data and experiences from Washington cities that have successfully developed and adopted new EMS fees. In addition to collecting quantitative data regarding the fees and revenues generated, we will also learn about significant issues and challenges from their experiences. We will evaluate issues related to billing and collection, policy considerations, and customer and community relations issues. In short, we will help the City of Kirkland learn from the most successful fee programs and avoid the pitfalls and problems experienced by those who have already implemented these fees.

Activity 4 – Report Results

Management Partners will prepare a draft report that includes recommendations for implementing a new fee program. This will include a sample of any required ordinances, the recommended fees to be charged for each service, tables and schedules supporting the fee calculations, and a sample request for proposals (RFP) for a billing and collection vendor.

The draft report will be reviewed with appropriate staff to assure that it is complete and meets the City's expectations. Following a review of the draft report, we will make the necessary revisions and produce a final report.

Activity 5 – Support Implementation

Management Partners has a strong bias for action. We pride ourselves on being the authors of reports that do not just sit on shelves collecting dust. Rather, we provide our clients with a management tool to implement (and track implementation of) the recommendations contained in our report and remain available to assist with the implementation process. The action plan will detail the specific steps and individual responsibilities for implementing the recommended fee program.

Management Partners' Experience and Qualifications

Management Partners brings extensive public sector experience to this project, along with first-hand knowledge of innovative financial approaches to support critical public safety services. Each of our team members has actual public service experience in addition to the analytical and collaborative skills necessary for high-performance consulting work. Our methodology and unique skill sets will provide the City of Kirkland with a superior end product.

The firm was created in 1994 to help local government leaders improve their organizations. Our team has significant experience helping numerous local governments improve their operations. Management Partners' previous experience assisting cities with EMS fee studies will allow us to deliver this work in a timely and cost effective manner.

Project Team

This project will be led by Steve Burkett, Partner, who will provide direction and guidance throughout the project. Steve will be assisted by Jovan Grogan and Simon Grille. The most significant qualifications for each team member follows.

Steven Burkett, Partner, joined Management Partners in 2006, and he has subsequently led a variety of organizational reviews and studies in Washington, Oregon, Utah and California. The focuses of those analyses range from strategic planning to customer service to organizational development. Steve has 38 years of diverse local government management experience, including serving four cities as city manager: Shoreline, Washington; Tallahassee, Florida; Fort Collins, Colorado; and Springfield, Oregon. He also worked in management positions in Phoenix, Arizona, and Corvallis, Oregon. Over the span of his career, Steve has developed expertise in strategic planning, financial planning, customer service, performance/management audits, team building/organizational development and project management. He has made presentations on local government management to the International City/County Management Association, the National League of Cities and international delegations.

Jovan Grogan, Management Advisor, has a breadth of local government experience that ranges from hands-on leadership to community relations to national agency work. He joined Management Partners in 2006. Jovan most recently worked as a special assistant to the county administrator of Tompkins County, New York. In this capacity, he was responsible for a wide range of budgetary and fiscal analysis, and he successfully facilitated and developed a consensus on information sharing among criminal justice agencies within the county. Jovan graduated from Cornell University, where he earned a bachelor's degree in urban and regional studies, with a concentration in law; and a master's degree in regional planning, with a concentration in economic development planning.

Simon Grille, Management Analyst, initially joined Management Partners in the summer of 2007 as an intern while completing his degree at the University of California, Berkeley. He began working in the San Jose office on a full-time basis in September 2008. Simon has provided benchmarking and best practices research for a variety of clients in the cities of San Jose, Kirkland, Ceres, Long Beach and Vallejo, California and Bellevue, Washington. Simon is the recipient of many academic awards including the Marshall Memorial Scholarship, Robert D. Lynd Scholarship, Alumni Leadership Scholarship, and others. He served as president of Kappa Delta Rho for three semesters and was recently named a "Man of Honor" to recognize his accomplishments in this role. While attending UC Berkeley, he served as a supervisor at the Cal Calling Center, a division of University Relations.

Hours, Schedule and Cost

Based on the work plan above, we estimate that the project will take 80 hours of professional consulting assistance to complete. The ultimate test of a quality project is that the client is pleased with the results, and we are committed to achieving that goal. Total fees and expenses for the work plan described above are \$12,400.

The project schedule will be tailored to meet the City's needs at the first project meeting. Management Partners anticipates that the work will take approximately two months from the time we receive a notice to proceed.

Conclusion

Management Partners will be pleased to assist the City of Kirkland with this EMS fee study. We look forward to the opportunity to discuss this proposal further with you and welcome the opportunity to provide any additional information that may be helpful. Please feel free to call Steve Burkett at 425-774- 8579, or you can reach me in our San Jose office at 408-437-5400.

Sincerely,



Andy Belknap
Regional Vice President

Accepted for the City of Kirkland by:

Name: _____

Title: _____

Date: _____

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
J. Kevin Nalder, Director of Fire & Building Services							
Description of Request							
Request for \$12,400 from the Council Special Projects Reserve to pay for medical transport consultant contract fee.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$12,400 of the Council Special Projects Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2010 Est End Balance	Prior Auth. 2009-10 Uses	Prior Auth. 2009-10 Additions	Amount This Request	Revised 2010 End Balance	2010 Target
	Council Special Projects Reserve	271,960	104,276	0	12,400	155,284	N/A
	2009-2010 Prior Authorized Uses of this reserve include: \$2,000 for Council Retreat facilitator, \$26,000 for federal lobbyist services, \$25,000 for Neighborhood Connections program, \$20,000 for Hopelink's relocation, \$13,770 for the Flexpass alternative program, \$5,000 for Council requested special investigation, and \$12,506 for the Bank of America review.						
Revenue/Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Budget Analyst	Date	March 6, 2010
-------------	----------------------------	------	---------------