



CITY OF KIRKLAND

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MEMORANDUM

To: Kurt Triplett, City Manager

From: J Kevin Nalder, Director Fire and Building Department
Mark Jung, Captain, EMS Officer

Date: August 25, 2011

Subject: EMS Transport Fee Program Update

RECOMMENDATION:

City Council receives an update on EMS Transport Fee Program implementation.

Background:

The Kirkland City Council approved Ordinance 4287 authorizing user fees for EMS transportation in January of this year and six months have passed since the City began charging transport fees on March 1, 2011. Today, the program is fully deployed, implementation is nearing completion, and enough descriptive and financial data have been collected to make a preliminary evaluation and report of the transport fee program.

Implementation:

With just under two months from approval of the authorizing ordinance to the go-live date, the implementation team worked diligently to develop policies, operational documents, and training in time for the initial crew training that took place in the second half of February. In addition, a professional services agreement was negotiated and signed with our billing vendor, the program administrator (EMS Officer) and support positions were filled and a public information strategy was developed and executed.

The implementation team identified three primary areas where concerns about the program might turn into objections if these concerns were not adequately addressed:

1. Concerns of citizens and potential patients: The implementation team developed a focused message that was consistently delivered in transport-fee communications, "Transport fees are legal, reputable, common and well established user fees that will help sustain EMS service levels in this challenging economy and will support system improvements in the future." Public outreach efforts included:
 - Multiple press releases
 - A new transport-fee web page on the City Web Site.
www.kirklandwa.gov/emstransport

- A frequently asked questions sheet to be given to each patient transported (Attachment 1)
 - A newspaper editorial explaining the program
 - Ongoing monitoring for complaints about the program by the EMS Officer and the City Communications Program Manager.
2. Concerns of firefighter / EMTs: Fire Department Senior staff worked with labor and the implementation team to understand the concerns of our firefighters and craft program parameters, policies, and procedures that were acceptable to all parties. There was remarkable common interest identified in the process. These common areas of interest include:
- Patient focused treatment and transportation decisions-making
 - Program administration by someone who understands the work of firefighters and has credibility to influence both firefighters and Fire Department Senior Staff
 - Minimize additional paperwork and administrative processes for firefighters
 - Billing policies that minimize impact on patients
 - Strong financial aid policy
3. Concerns of other jurisdictions: Kirkland's Fire and EMS system is highly integrated with our regional partners through automatic aid agreements and the King County EMS System. The King County EMS Levy provides full financial support for ALS response as well as core regional services like uniform training programs, planning and medical direction. The implementation team took the following actions to allay concerns of our regional partners before and after the go-live date:
- Sent a letter to each of our neighboring jurisdictions through the City Manager's Office assuring them that Kirkland would continue to provide service in their communities without charge to their citizens and we would not require them to change their procedures when they respond in to Kirkland on automatic aid. (Attachment 2)
 - The Fire Operations Deputy Chief and EMS Officer met in-person with Redmond Fire and Bellevue Fire leadership to explain the program and answer any questions prior to going live.
 - The EMS Officer met with the Redmond Fire Paramedic group to answer any questions shortly after program deployment.
 - The EMS Officer met with other King County Fire Departments that are charging transport fees and other interested fire departments in a meeting hosted by the King County EMS Division.

Evaluation:

With the program currently fully deployed and nearly six months of billing history, we are soundly in the evaluation phase of implementation. The remainder of this memo will be dedicated to evaluation of the program as currently deployed and recommendations for future improvement.

There are three key areas of program performance to evaluate against benchmarks identified in the December 7, 2010 staff analysis:

- Acceptance of key stakeholders

- Financial performance
- Utilization of program staff

Acceptance by Stakeholders:

- Citizens and patients have been very accepting of the new user fee. There was only one piece of negative correspondence received in response to the City's press release and other informational materials introducing the transport fee program. The EMS Officer received three phone calls requesting additional information, but in each case, when the program was explained, the callers were satisfied. Firefighters working at the street-level generally report that patients are accepting the user fee as a normal cost of their medical care.
- Firefighter / EMT's were initially resistant to transport user fees, but as the program was deployed they became more accepting. Credit for this change goes to the implementation team for developing easy-to-use tools and training for use in the field, and to the Fire Department Senior Staff and EMS Officer who answered questions and carefully explained how the transport user fee would help the City and the Fire Department through the current economic downturn. Many firefighters have completely changed their opinion, moving from resistance to support; firefighters often use transport fees as a tangible example of how they are helping the City maintain services in this difficult economy. One note received by the EMS Officer illustrates this change:

I was one who dreaded this change and its potential impacts. Now I am only amazed at how smoothly and flawlessly it has run. When my crew or I have had questions you answered them immediately. The paperwork has had no impact on my end, mainly because it is so organized and user friendly.

Earning the support of the Line Firefighters may be the greatest leadership success among many successes associated with this program.

- Other Jurisdictions:
 - The reaction of neighboring jurisdictions can be characterized as respectful and understanding.
 - The King County EMS Division continues to have a neutral position on BLS transport fees recognizing that it is a local decision, but the King County medical leadership has vocally opposed transport fees (attachment 3). This is an issue that is likely to be contentious in the ongoing strategic planning process for the 2014 King County EMS Levy.

Financial Performance:

Revenue is the product of three elements

- The fee
- The number of transports
- The collection rate

Fee: The fee was set by Council at \$600 plus \$14 per mile.

Number of Transports: The initial staff projection of 200 billable transports per month was developed based on history and anticipated increases in call volume after annexation. Clearly, during the first three months the projected number of transports was not reached. (Table 1)

Table 1

Transports (200 Projected in Staff Memo)				Annexation ----->								
	March		April		May		June		July		Total	
Transports Billed	167		169		167		204		196		903	
Resident	130	78%	123	73%	129	77%	152	75%	150	77%	684	76%
Non-Resident	35	21%	40	24%	37	22%	47	23%	43	22%	202	22%
Employee at Work	2	2%	6	5%	1	1%	5	3%	3	2%	17	2%
Transport from OJ	13		23		18		10		9		73	
Total	180		192		185		214		205		976	

The increase in population and fire staffing associated with annexation increased transport volume to the expected level, but transports from out-of-jurisdiction (OJ) have been higher than anticipated. Table 2 shows transports by unit. In general OJ transports by A22 come from Bellevue, A26 from Redmond, and A27 / A29 from Woodinville. Not charging for OJ transports represents a 7.5% reduction in billable transports and proportional reduction in revenue.

Table 2

	March			April			May			June			July		
Transports By Unit			OJ			OJ			OJ			OJ			OJ
A21	38	21%		39	20%		33	18%		38	18%	1	29	14%	1
A22	40	22%	5	40	21%	4	37	20%	3	48	22%	1	45	22%	1
A25	17	9%		9	5%		16	9%		18	8%	0	15	7%	0
A26	17	9%	7	35	18%	8	29	16%	7	19	9%	3	27	13%	3
A27	15	8%		11	6%		19	10%	2	74	35%	5	72	35%	5
A29	53	29%	1	58	30%	10	51	28%	5	17	8%	0	17	8%	0
Total	180		13	192		22	185		17	214		10	205		10
(Including TX from OJ)															

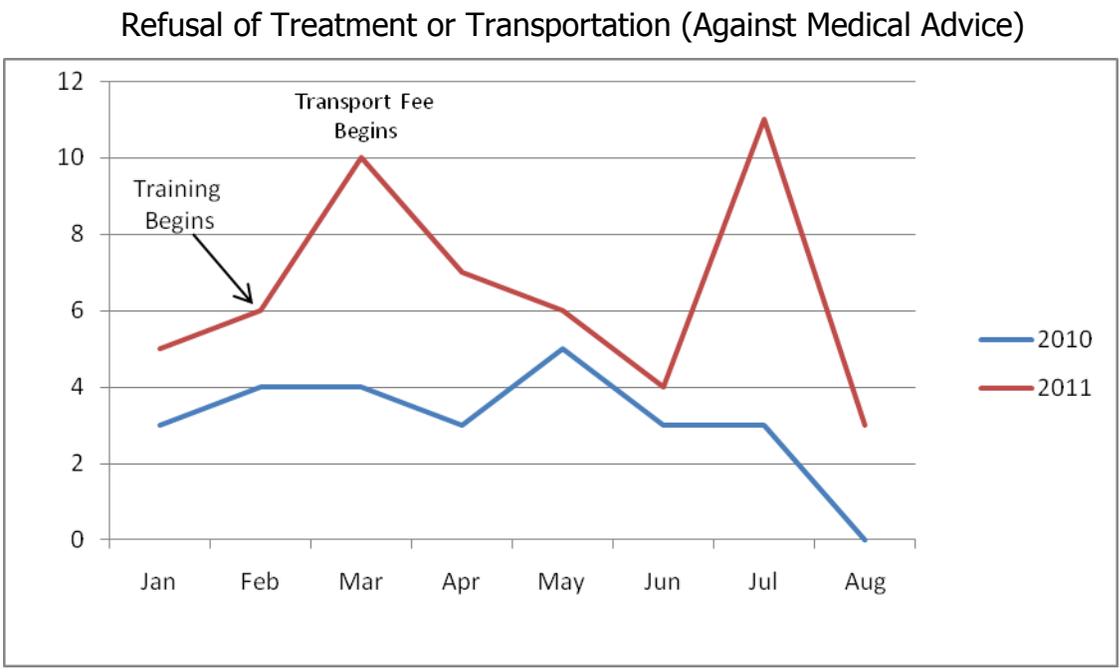
A second issue associated with transport volume is that the deployment of transport user fees may have had an effect on transport volume. During the first three months after deployment, year-over-year EMS responses have increased while the number of transports has decreased. During the same three month period in 2010, 44% of patients were transported by a Kirkland Aid Unit; after transport fees were deployed in 2011, only 41% of EMS patients were transported by Kirkland Aid Units. Furthermore, the number of patients refusing to be transported against medical advice¹ (AMA) more than doubled from 18 (March through August)

	March-May (2010)	March-May (2011)	Change
EMS Responses	1293	1379	+6.6%
Transports	574 (44%)	560 (41%)	-2.5%

¹ Patients who are mentally competent have the right to refuse medical treatment. When the lead firefighter/EMT has completed a medical evaluation and determined that further treatment and/or transportation is necessary the patient may formally refuse further care by signing a "Refusal of Medical Evaluation, Treatment and/or Transportation" form.

in 2010 to 41 during the same time period in 2011 (Figure 1). This appears to be a dramatic change, but staff believes that the change has been caused by better documentation and more frequent use of the "Refusal" form by firefighter/EMTs. The use of the "Refusal" form was highlighted as part of training prior to deployment of the transport fee, and the increase in use of the "Refusal" form can be seen already in February prior to deployment of the transport fee. In addition, staff has analyzed each patient care report, where the "Refusal" form was used, since the transport fee was deployed. The types of cases are consistent with pre-transport-fee refusals. The most frequent use of the "Refusal" form continues to be trauma where the patient has been consuming alcohol.

Figure 1



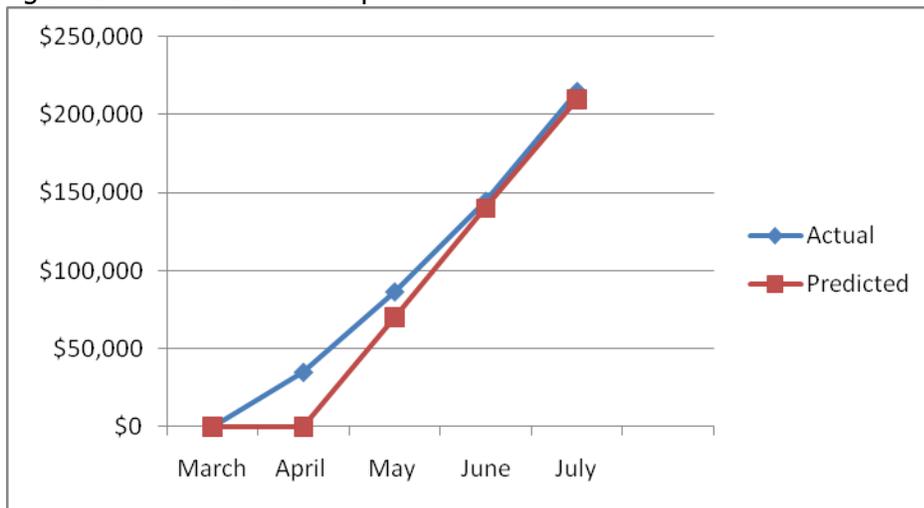
Determining the cause of these changes with scientific certainty is beyond the level of analysis available here and is further complicated by the changes in staffing and population associated with the June 1, 2011 annexation. However, even if deployment of transport fees has caused a reduction in transport volume, this may not be a problem. Anecdotal evidence supports the idea that EMS crews and patients are working together to find more cost effective methods of transport when it is medically appropriate and desired by the patient. Both the EMS Officer and the Operations leadership continue to monitor these areas and look for ways to ensure that patients who need medical treatment and transportation are not deterred by the transport user fee.

Collection Rate: The transport fee program has produced a collection rate of 49.4% for the first three months of billing. The initial staff analysis predicted a collection rate of 53% based on Council’s billing policy direction and the anticipated payer mix.

The billing procedure for EMS transport fees creates a significant lag between the date of service and final resolution of fees. It can take 90 days or more to get full payment from an insurance provider before any copayment or deductible, if owed, is billed to the patient. The patient then has 90 days or more to make full payment. Although it may not always take this long, an account can take six months or more to be resolved. Even at this late date, the collection rate for the earliest months of billing may improve slightly as private payments continue to be applied to open accounts.

Revenue: With some billing history in hand, revenue can be evaluated directly. The initial staff analysis predicted \$70,000 per month after the start-up lag. Figure 2 shows total revenue in line with the staff estimate.

Figure 2 EMS Transport Fee Revenue



The history is still very limited, but the total revenue picture is encouraging. Monthly revenue has increased steadily, and reached the \$70,000 per month target in July. The next several months will tell the full story, but there is reason to be optimistic about meeting or exceeding revenue expectations for 2011 and beyond.

Financial Aid: With more than nine hundred transports billed, the City has received only one application for financial aid. It is currently being reviewed.

Utilization of Staff:

EMS Officer: The EMS Officer is currently committing two thirds of his time to the day-to-day operation of the transport fee program. Day-to-day activities include quality assurance and improvement efforts with EMS crews, supervising support staff, preparing reports and preparing for future opportunities and threats. His remaining time is committed to EMS activities related to EMS transport. Two examples are:

- The implementation of new patient care software and hardware that will allow us to more efficiently process transport billing and automate some of the quality assurance efforts. This new reporting system should be fully deployed by the end of 2012.

- EMS Officer is the primary staff support for Chief Nalder and the City Council's representative on the King County EMS Levy Strategic Planning Taskforce.

Fire Records Specialist: The Records Specialist is responsible for data entry and scanning of all EMS reports, obtaining updated patient information from hospitals, reconciling electronic records with paper records, submitting batches of reports to the billing vendor, responding to additional requests for information from the biller, and ensuring that all confidential information is accounted for and secure. The Records Specialist is currently fully utilized at 0.5 FTE. Implementation of the new patient care software and hardware, late 2012, is expected to eliminate much of the work currently being done by the Records Specialist.

Accounting Associate: The 0.25 FTE Accounting Associate is fully utilized reconciling statements received from the billing vendor against batch records, and supporting data collection and reporting projects.

Conclusion:

Six months after deployment of EMS transport fees in Kirkland, the initial staff evaluation shows that the implementation has gone extremely well:

- Strong administrative policies and procedures have been adopted and deployed.
- New procedures have become routine with firefighter / EMTs.
- Key stakeholder relationships have been preserved.
- Revenue appears to be in line with projections. Revenue data that will become available over the next several months will reveal a more complete picture.
- Fire Department staff is continuing quality assurance efforts with particular attention to making sure the transport user fee does not impact patient care or patient's perceived access to the 911 system.
- A capable administrative team has been assembled to complete additional work associated with the transport fee, and staff is continuing to look for efficiencies that will reduce the administrative overhead of the program.

Taken all together, the EMS transport fee program is looking like it will be a great success. Staff expects to update Council again in the first quarter of 2012.



Kirkland Fire Department Basic Life Support (BLS) Transport User Fees

Patient Frequently Asked Questions

In March 2011 the Kirkland Fire Department began its Basic Life Support (BLS) Transport User Fee Program. The Program was established to create a sustainable revenue source to support essential emergency medical services. Fees from the BLS transport user fee will help cover the cost of providing emergency medical service to the Kirkland community. Without this new revenue the Fire Department would have had to reduce service levels. Initially, the transport fees will be used to maintain the current level of service; in the future, the fees will be used to improve service, reduce response times, and provide greater EMS resources to the community.

The purpose of this handout is to help you understand what to expect if you are transported to a medical facility by the Kirkland Fire Department.

Is there a charge for calling 911 for a medical emergency?

There is no fee for calling 911. The transport user fee only applies when a Kirkland Fire Department aid unit transports you to a medical facility.

How much is the transport user fee?

As of March 1, 2011, the transport user fee will be \$600 plus \$14 per mile, as established by the Kirkland City Council. There is no fee for calling 911.

How will the billing process work for Kirkland residents?

As a patient who was transported by the City of Kirkland, your insurance company will be billed. Even if the insurance company only pays a portion of the fee, it will be considered paid in full. You will not be responsible any unpaid balance.

- If you are an employee who becomes sick or injured while at work, you will be treated as a resident for billing purposes.
- If you are a patient without insurance, you will be billed for the full transport user fee. However, you may be eligible for financial assistance.
- If you refuse to sign appropriate forms or have not provided complete insurance information, you will be billed directly for the full fee. An opportunity to provide insurance information and sign authorization forms will be included with the bill.

How will the billing process work if I am not a Kirkland resident?

If you live outside Kirkland but are transported by the Kirkland Fire Department, your insurance company will be billed. The balance not covered by insurance will be billed to you (the patient).

- If you are a patient without insurance, you will be billed for the full transport user fee. However, you may be eligible for financial assistance.
- If you refuse to sign appropriate forms or have not provided complete insurance information, you will be billed directly for the full fee. An opportunity to provide insurance information and sign authorization forms will be included with the bill.

Do late fees apply?

There is no late fee or finance charge associated with the transport user fee.

What if I do not have health insurance or cannot afford to pay for the service?

You will receive service regardless of your ability to pay. You may have coverage under other policies. Many auto and homeowner insurance policies provide some medical coverage and you are encouraged to review your various insurance policies to verify the limits of coverage under each policy.

What options do I have to pay the bill?

In order to maintain a fair and equitable system for all users and the taxpayers, the City and its billing services provider must issue bills according to our BLS transport billing policy. Every effort will be made to accommodate those who wish to pay on an installment plan or apply for payment relief through our financial assistance policy.

Is financial relief available?

Yes. The Kirkland Fire Department has established a financial assistance policy that is consistent with State law on hospital charity care; supported by a sliding scale, and based on Federal poverty guidelines.

As a patient, you may demonstrate an inability to pay in one of two ways:

1. An application form may be obtained from our billing services provider. When the application is complete and returned, Fire Department representatives will determine if you qualify.
2. The Fire Department will also accept charity care granted by the receiving medical facility as evidence of financial need and will grant proportionally equivalent relief.

Can I refuse ambulance transport?

Yes. Patients who are mentally competent and not a threat to themselves or others may refuse treatment and/or transportation. They will be asked to sign a *Refusal of Treatment or Transportation* form.

Is there a charge for all transports in Kirkland?

If your condition requires Advanced Life Support (ALS) treatment and transport, then there is no transport fee. ALS services in King County are provided regionally and are fully funded by the voter-approved King County EMS (Medic One) levy.

For billing information, contact:

System Design West, LLC Billing Services
PO Box 3510
Silverdale, WA 98383
PH: 800-238-9398
FAX: 360-697-1659

www.emspatient.com/kirklandfire

For program information, contact:

Kirkland Fire Department, EMS Officer
123 Fifth Avenue
Kirkland, WA 98033
PH: 425-587-3650
FAX: 425-587-3651

www.ci.kirkland.wa.us/emstransport

December 10, 2010

Dear Chief ()::

I am writing to inform you of Kirkland City Council's recent decision to begin charging a fee for BLS transportation. This fee only applies to transports by Kirkland units from Kirkland locations. We deeply value the automatic-aid relationship we have with Bellevue and our other automatic-aid partners, and we are developing a program that is intended to have zero impact on our automatic-aid relationship.

This program is intended to collect fees for the transports we are already doing. We do not anticipate any change in the number of transports we complete annually or our out-of-service time. Further, Council specifically limited fees to BLS transports that originate from within the City of Kirkland and its Proposed Annexation Area. No fee will be charged when Kirkland Units transport from Bellevue locations.

Kirkland Fire Department intends to continue to honor our automatic-aid agreement by providing service in (), whenever needed, as if the service were being provided by Bellevue units themselves.

Please contact me if you have any questions or concerns.

Sincerely,

J Kevin Nalder
Director Fire and Building Department, Fire Chief

DRAFT

December 20, 2010

Name
Address
PO
City

Dear Mayor, City Manager

The Medic One and Emergency Medical Services (EMS) system in King County is facing the best of times and the worst of times. It is the best of times because of our superb quality of care and international recognition as one of the best programs in the world. Our survival rate from cardiac arrest is second to none. It is the worst of times because budget shortfalls in cities are or may be leading to separate decisions to bill patients for fire department transportation to local hospitals. We believe such developments threaten the regional system of EMS in our county. We are writing to share our concerns and request that there be a regional discussion of this important matter. As medical directors and leaders of the programs in King County we have a special interest in maintaining the jewel that is our Medic One program. We know that you, as well as the citizens in your community, have a vested interest in the quality of the EMS system.

This system is a wonderful partnership of public and private services and has served our entire community well for 40 years. The voters in King County strongly support our regional system. In fact, the last 6-year levy in 2007 to fund the EMS program received over 80% yes vote. This incredible support says voters are willing to tax themselves because they perceive the program to be of the highest quality. When they dial 911, they know the fire department (and sometime paramedics) will arrive quickly. This is what they have supported. When they voted in 2007 there were (with a few exceptions) no charges for fire department transportation. Now there is a looming "tipping point" of many cities charging for fire department transportation. Had transportation fees been part of the ballot, we are certain support would have diminished. And as more and more cities charge for transportation, support will erode until passage of the levy will become jeopardized.

We have serious concerns about fire departments in King County charging patients for basic transport to the hospital. Our concerns are as follow:

1. We have a regional system of EMS and the regional approach insures a consistently high quality of care with strong medical supervision and control. Fragmentation of this system with each city addressing fiscal shortfalls with short term solutions may ultimately threaten the entire regional system.
2. User fee charges may jeopardize the next EMS levy (the current levy expires in December, 2013). Voters may experience anger for "double charging" and vote against the levy when it comes time to renew. Voters passed the levy to support EMS services in general and will be confused by fire department charges for transport to hospital.
3. Fire departments can expect modest returns at best if they charge for transport relative to what is risked by a levy failure. In 2009, the EMS levy collected \$67 million for Medic One services outside Seattle. These funds fully support delivery of paramedic services throughout the county. In addition the levy funds approximately \$15 million, or

approximately 20% of fire department basic life support services. Does it make sense to jeopardize this sizable subsidy of fire department services?

4. Charges for BLS transport will discourage elderly, fixed income, and low-income people from calling 911 for emergency services. If they know their call will incur a \$400-\$800 fee, they will be loath to call. Concern for large ambulance fees is a documented reason some people do not call 911 for chest pain. The last thing we want to do is discourage people with chest pain from calling 911.
5. Monies generated from user fees will not be large. There is no pot of money waiting to be picked up. When one factors in bad debt, uncollected fees, fixed reimbursements, contested charges, charge card fees, and so on, the actual amount collected will be much less than projected.
6. Charging for BLS transport may eliminate private ambulance services in the community. Private ambulances provide a needed service and their ability to stay in business will be compromised by competition from the fire department. A reduction of private ambulance services will have a major adverse impact on nursing home-to-hospital transfers and hospital-to-hospital transfers.
7. Fire departments if asked to transport more patients (as a way to generate revenue) than they currently transport will dilute their services and availability for other emergency medical calls or fires. There are only so many vehicles and personnel on duty at any time and if they are travelling all over the county transporting basic life support patients they will not be available for the next emergency call.

For these reasons, and for the very real risk of unforeseen consequences, we have real concerns with fire departments charging for basic transportation to hospitals. Such a policy may have irretrievable long term deleterious effects. We urge that there be a regional discussion of this matter with all affected cities and departments coming together to deliberatively weigh all options.

We have the world's premier EMS service. Let's work together to solve this issue and not put 40 years of work at jeopardy.

Mickey Eisenberg, MD
Medical Program Director
King County Emergency Medical Services

Jim Boehl, MD
Medical Director
Bellevue Paramedic Program

Adrian Whorton, MD
Medical Director
Redmond Paramedic Program

Tom Rea, MD
Medical Director
South King County Paramedic Program

Leonard Cobb, MD
Past Medical Director
Seattle Medic One

Gary Somers, MD
Medical Director
Shoreline Paramedic Program

Michael Copass, MD
Medical Director
Seattle Medic One

Graham Nichol, MD
Director, University of Washington-
Harborview Center for Prehospital
Emergency Care

David Carlbom, MD
Associate Medical Director
Seattle Medic One

Sam Warren, MD
Medical Director
Vashon Island Paramedic Program

Peter Kudenchuk, MD
Associate Medical Director
King County, EMS

P.S. Please kindly address questions or correspondence to Mickey Eisenberg at:
mickey.eisenberg@kingcounty.gov or call 206.263.8569.

cc: Fire Chiefs