



Legislation Text

File #: 15-0674, **Version:** 1

Recommendation to receive supporting documentation into the record, conclude the public hearing, and adopt resolution amending the Master Fee and Charges Schedule by adopting the Fire First Responder Fee. (Citywide)

The Long Beach Fire Department (LBFD) proposes to implement a First Responder Fee to partially offset the costs of providing emergency medical services. In Fiscal Year 15, the Department has budgeted \$11.3 million in ambulance transport revenue, which includes \$400,000 in budgeted Ground Emergency Medical Transportation (GEMT) revenue. The annual budgeted cost of providing paramedic services totals \$22.1 million annually, far exceeding budgeted revenue.

Additionally, there is a significant cost associated with providing fire engine responses to medical incidents, which comprise approximately 85% of all responses. A fire engine is staffed with four personnel -- three Emergency Medical Technicians and one Paramedic. The fire engine is typically the first apparatus to respond to an incident and there is currently no mechanism by which the Department can recover the costs of services provided by fire engine personnel. Similarly, when ambulances respond to a medical emergency and the patient is not transported, there are no fees charged to offset these costs.

The Department proposes to charge a \$250 Fire First Responder Fee to patients that are medically evaluated and treated by Fire staff on a first responder unit. This would be separate, and in addition to, the current ambulance fees that are charged when there is a transport. The amount of the fee is consistent with what other California agencies charge and assumes full recovery of personnel, apparatus, emergency medical supplies and equipment, and administrative costs.

As noted above, there are significant costs associated with an emergency medical response, which includes a fire engine and an ambulance, and the six Fire staff members associated with the apparatus. A patient evaluation and assessment involves a medical history and the taking of vital signs, such as blood pressure, pulse, breathing, and body temperature, and also often includes monitoring heart activity and measuring blood sugar. Patients are often treated on-scene as well. An example of treatment is the intravenous administration of glucose for altered diabetic patients, which is a frequent occurrence.

Patients who are evaluated and/or treated would receive a bill for the First Responder Fee from the City. If the Fire Department transports the patient as a result of the emergency response, the First Responder Fee would be added to the bill for ambulance transport services. Those patients who are covered by a private insurance policy or Medicare/MediCal

would have an opportunity to provide their medical insurance information to the City. The City would then submit the bill to the appropriate insurance company or governmental agency.

This item was reviewed by Deputy City Attorney Kendra Carney on June 30, 2015 and by Budget Management Officer Victoria Bell on June 24, 2015.

City Council action on this matter is requested on July 21, 2015, so that the Fire Department may begin to recover costs for emergency medical responses in a timely manner.

Although very difficult to project, the annual gross First Responder Fee revenue is roughly estimated to be approximately \$1.8 million, which would be partially offset by about \$200,000 in additional annual costs associated with the billing and collection of fees, including staffing, supplies, postage, and software maintenance. The net annual revenue to the General Fund (GF) is, therefore, preliminarily estimated at \$1.6 million, once the program is established.

The implementation of a First Responder Fee will also allow the LBFD to maximize future GEMT funds that the City currently receives as a supplement to normal ambulance revenue. Under the GEMT program, ambulance service providers are reimbursed for a portion of the difference between the full costs of providing Medical Transportation Services (MTS) to individuals covered by MediCal and the amount of MediCal revenue received for these services. Currently, GEMT reimbursement applies only to the costs of providing MTS. Future GEMT legislation will be introduced that, if passed, will allow ambulance service providers to claim reimbursement for the non-MTS components of providing services at medical emergencies. This would include cost recovery for a portion of the cost of medical services provided by EMT and Paramedic staff on fire engines, as well as the cost of medical services provided by Paramedics and Ambulance Operators on ambulances when there is no patient transport. However, local governments will only be able to recover costs under this program if they are currently charging customers for the non-MTS component of the response. The implementation of the Fire First Responder Fee would satisfy this requirement.

It is City financial practice with regard to a new revenue program, where the revenue is highly uncertain, to wait and see what the revenue pattern will actually be before budgeting a significant amount of revenue. This program will also take some time to establish a revenue pattern. As a result, the first year this revenue would be fully budgeted is FY 17. If the First Responder Fee is approved, the City will establish what the revenue pattern is in FY 16 and then budget for it in FY 17.

Approve recommendation.

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APPROVED:

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