



CITY OF LA HABRA HEIGHTS Agenda Report

To: Mayor and City Council Meeting of: January 15, 2009
From: Shauna Clark, City Manager *SC* Prepared: January 7, 2009
**SUBJECT: EMS RESPONSE BILLING POLICIES AND RECAP – PARAMEDIC
SUBSCRIPTION PROGRAM IMPACT**

INTRODUCTION:

This report provides a recap of the city's EMS (Emergency Medical Service) responses over Calendar Year 2008 and its billings and billing practices over the period January through September 30, 2008. The report asks the City Council to make policy choices related to the EMS billing services and the Paramedic Membership Program.

BACKGROUND:

The City of La Habra Heights began its EMS program on January 1, 2005. Those receiving medical aid, either basic life support (BLS) or advanced life support (ALS), were required to pay for services rendered on scene by LHHFD. **BLS** consists of numerous life-saving techniques focused on the "ABC"s of pre-hospital emergency care:

Airway: the protection and maintenance of patient airway

Breathing: the actual flow of air through respiration, natural or artificial respiration, often assisted by emergency oxygen

Compressions: pressure applied on the chest to keep blood flowing by compressing the heart during cardiopulmonary resuscitation (CPR)

ALS trained and certified personnel, classified as EMT-I (Emergency Medical Technician – Intermediate) or EMT-P (Paramedic) follow protocols in our agreement with Los Angeles County Department of Health Services and with standards set forth by: AHA (American Heart Association) Advanced Cardiac Life Support, AHA Pediatric Advanced Life Support, and Pre-Hospital Trauma Life Support. ALS personnel are authorized to perform advanced invasive and non-invasive procedures including:

- Cardiac Monitoring
- Transcutaneous pacing
- Surgical cricothyrotomy
- Interosseous access and intraosseous infusion
- Cardiac defibrillation
- Intravenous cannulation (IV's)
- Needle cricothyrotomy
- Advanced medication administration through parental and enteral routes

Before initiating ALS measures, the paramedics must contact the base hospital (Presbyterian Intercommunity Hospital) emergency room doctor to provide a patient assessment. The doctor then supervises the actions of the paramedic(s) on scene.

The billing rate established by this city is: \$450 for BLS and \$671.75 for ALS. This rate corresponds to the County EMS billing rate, instituted on the basis of a cost-impact analysis performed by the County. If the patient is transported, they receive an additional bill from the ambulance provider, AMR.

In 2007 the Council adopted a Paramedic Membership Program, the purpose of which was to insulate residents who are most likely to need the services and least likely to be able to pay. The subscriber program has been in effect for a full year and has brought with it some degree of confusion. Some insured subscribers have joined the program with the expectation that their insurance will not be billed if services are rendered. Others believe that the subscription only protects against the City seeking to collect from the subscriber.

The previous practice of writing off bills in hardship cases was carried forward into this year despite the option for residents to subscribe to the Paramedic Membership Program. In the month of September, bills totaling \$14,000 were forgiven.

Current Operation

The Fire Department initiates a run ticket on every call. When paramedics and EMTs render medical aid, members of the squad obtain data from the patient, which usually includes address and insurance information. The Fire Department then sends the run tickets and additional data to Wittman, the city's billing agency. If insurance information is not included, Wittman seeks the information from the patient.

Here are examples of how the program is functioning:

- I. **Non-subscriber – receives EMS services within City Limits.** Data taken at scene and run ticket are sent to Wittman.
 - A. If the patient has insurance--Wittman bills the insurance company.
 1. If the insurance pays the entire bill, the case file is closed.
 2. If the insurance pays a portion of the bill, the patient is charged the difference.
 3. If the insurance company refuses to pay for EMS services, the patient is billed for the entire amount.
 - B. If the patient doesn't have insurance, Wittman bills patient directly.
 - C. In certain hardship cases, the bill is written off.
 - D. All remaining unpaid bills are remitted to a collection agency.

- II. **PMP subscriber.** The patient is a subscriber to the PMP and their run ticket is sent to Wittman:
 - A. If the patient does not have insurance--no bill is sent
 - B. If the patient has insurance--only the insurance company receives a bill. There are no out-of-pocket costs for subscribers.
 1. If the insurance company pays only part of the bill, the patient is not asked to pay the remainder.
 2. If the insurance company pays none of the bill, the patient is still not asked to pay the remainder.

- III. **Non-resident receiving aid from LHHFD within city limits.** If LHHFD renders aid to a motorist or other non-resident within the city limits, the patient's insurance and the patient billed as a non-subscriber (first example above) and the ticket is sent to Wittman.
- IV. **Non-resident receiving aid from LHHFD outside of city limits.** If LHHFD responds to a mutual aid call outside of the city limits within an area serviced by County Fire, no one is billed by the city.
- V. **LHH resident receiving services from County of Los Angeles.** If County Fire renders medical aid within LHH city limits, the patient is not billed. The mutual aid agreement between the City of La Habra Heights and the County allows the City to request the run tickets in order to bill the patient, however, it has not been the practice of the LHHFD to request those run tickets. ***Is the City charged?***

Below are the issues (with pros and cons) that staff would like the Council to address.

I.C. Should criteria and a process be established for write-offs?

- Yes: Creating a process and criteria will encourage fairness and accountability for write-offs.
- No: Establishing criteria would likely result in a greater number of collection cases and there may be circumstances of hardship that do not fall within the established criteria.

II.B. Should the city bill the insurance company of a subscriber?

- Yes: It is better to have the insurance company than the taxpayers pick up the tab for services rendered.
- No: Fewer people will join the program if they know their insurance company could be billed.

IV. Should the city bill for medical aid rendered by LHHFD on mutual aid calls outside the city limits?

- Yes: City taxpayers should not subsidize non-city residents.
- No: The city should not re-negotiate mutual the aid agreement with LA County. Though it costs something to provide EMS, the County does not charge when they come to the aid of LHH in a major fire

V. Should those within the city limits who call 9-1-1 and get a response from County Fire pay for medical aid?

- Yes: The city should acquire the run tickets for calls made by LA County within city limits and bill patients accordingly.
- No: L.A. County is providing and paying for EMS response. It does not matter if some residents are lucky enough to get free service.

LHHFD EMS Runs:

Fire Department and Finance staff have culled through individual run tickets to prepare the following data. We have complete run data for the last 12 months:

<u>Calendar Year 2008 Total LHHFD EMS Calls for Service</u>	<u>226</u>
Total w/in city limits: ALS (125), BLS (48), No service (41)	214
Total outside of city limits: ALS (8), BLS (1), No service (3)	12

Paramedic Membership Program Subscribers:

The Paramedic Membership Program provides the following data:

<u>Calendar year 2008 Total Subscribers to Paramedic Membership Program</u>	<u>338</u>
Number of subscribers who received services (approximately)	23
Number of subscribers whose insurance was/will be billed	8

<u>Total Subscriber Revenue</u>	<u>\$15,210</u>
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Billing Revenue:

The city's billing agency, Wittman, has not received run tickets for the full year. The best data on billings we have is for the period January through September 30, 2008:

	Actual (Jan1 to Oct 1)	Estimated (2008)
Amount billed (to be billed) by Wittman	\$55,370.25	\$73,826.00
Write off's and adjustments	\$14,791.50	\$16,000.00
Amount still due	<u>\$19,422.88</u>	<u>\$25,897.17</u>
Payments received	\$21,155.87	\$31,928.83

<u>Total not billed to subscribers:</u>	<u>\$13,400.00</u>
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FISCAL IMPACT:

Based on data and projections above, the City of La Habra Heights will receive an estimated \$47,138.83 in EMS (billing and subscriber) revenue for calendar year 2008.

- II.B. The annual cost to the city to curtail billing the insurance of subscribers is estimated to be: \$5,368.
- VI. The approximate loss in billings to the city for not billing for services rendered on mutual aid calls beyond the city limits is: \$2,684.
- V. The approximate loss to the city for not billing for services rendered by the County of Los Angeles within LHH city limits is unknown as no data on mutual aid EMS calls to the city was collected during 2008.

RECOMMENDATION:

- A. 1. Direct staff to clarify the paramedic membership program materials to specify that although subscribers will not pay out-of-pocket costs for services rendered, their health insurance or automobile insurance (if their vehicle is involved) will be billed.
 - or -
- 2. Determine that the insurance company of a subscriber using the service will not be billed.
- B. Instruct the Fire Department to request all run tickets for medical aid provided by the Los Angeles County Fire Department within the city limits and forward the appropriate information to Wittman for billing purposes.
- C. Instruct the Fire Chief, City Manager, and City Attorney to develop an internal policy for writing off bills in cases of hardship or errors made by the city.

ATTACHMENTS:

Paramedic Membership Program materials given to subscribers

Paramedic Membership Program Agreement

I understand and acknowledge the following:

- I must be a resident or business of the City of La Habra Heights to enroll in the program and households and businesses located outside the City boundaries are ineligible.
- Membership fee provides protection for me and all permanent members of my household or for employees of my business located in La Habra Heights.
- This fee protection applies only to Emergency Medical treatment performed by the La Habra Heights Fire Department.
- Membership fee is non-refundable. Membership is non-transferable.
- Fees will not be pro-rated for calendar year 2009. Please sign up immediately!
- It is my responsibility to add or remove permanent members of my household or business in 2009.
- Violations of the terms of this agreement and/or other abuses of membership as determined by the Fire Chief could result in the cancellation of my membership.

I have read and understand the membership application. My membership pays for the First Responder Paramedic Fees for 2009 calendar year and does not pay for ambulance transportation fees.

SIGNATURE

DATE

METHODS OF PAYMENT

• PAY BY CHECK

Please read, sign the membership agreement, and return it with your check payable to: **City of La Habra Heights**

• PAY BY CREDIT CARD (VISA, MASTERCARD, OR DISCOVER)

For security reasons, if you would like to pay by credit card please stop by City Hall prior to December 18, 2008.

MAIL APPLICATION AND PAYMENT TO:

**City of La Habra Heights
Paramedic Membership Program
1245 North Hacienda Road
La Habra Heights, CA 90631**

PMP PROGRAM

The Paramedic Membership Program (PMP) is an official program of the City of La Habra Heights. The City offers this program to all La Habra Heights residents or businesses as an alternative to paying higher direct fees for paramedic services. As a member, your entire household or business is covered and pays nothing for:

- 24 hour Emergency Paramedic Service
- Unlimited Usage for Medical Emergencies
- **DOES NOT COVER AMBULANCE TRANSPORT**

HOUSEHOLD OR BUSINESS COVERAGE

For only \$45 a year you can protect your household or business from any out-of-pocket expenses associated with the delivery of the City's paramedic service.

SAVING YOU MONEY... AVOID COSTLY FEES!

Did you know that one emergency call can cost up to a minimum of \$671 for each incident? Additionally, many insurance companies do not cover the First Responder fee for emergency services. As a member of the PMP, you and your household or business pays nothing, even if you do not have insurance for the First Responder coverage.

VALUE, PEACE OF MIND, AND SUPPORT

For less than 13¢ a day, your household or business will be protected with high quality Advanced Life Support service and pay a program service fee instead of the standard county paramedic charges.

Your enrollment will also help offset the high cost of training and maintaining advanced life saving personnel and equipment for the La Habra Heights Fire Department.

Paramedic Membership Program

APPLICATION FOR 2009 MEMBERSHIP

Print Name:	Street Address:
Phone Number:	Email:
Name of Household Member(s):	
Number of Household Member(s):	If a Business, Number of Employee(s):

Please check the appropriate billing option:

- \$45 for 12 months of coverage [ends 12/31/2009] \$200.00 a year for business with 50 or less employees [ends 12/31/2009]

Please read and sign the membership agreement on the back of this form.



City of La Habra Heights
1245 North Hacienda Road
La Habra Heights, CA 90631
(562) 694-6302

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Protect Your Family... Join Now!

Deadline for 2009 Calendar Year is December 18, 2008

PARAMEDIC MEMBERSHIP

PROGRAM

(PMP)

ENROLL NOW!