



**STAFF REPORT**

*Public Hearing 8-16-16*

AGENDA ITEM #: 16-100  
COUNCIL MTG OF: July 19, 2016  
FROM: S. Daly, Acting Town Administrator  
OFFERED BY: Michael J. Gagnon, Fire Chief  
PREPARED BY: Chuck Hemeon, EMS Director  
SUBJECT: Ambulance Transport Rate Adjustment

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**PURPOSE:**

Recommendation to adjust Ambulance Transport Fees

**TOWN ADMINISTRATOR COMMENTS:**

As is pointed out below, the cost of providing EMS services out of the Derry FD is constantly increasing. As a result, it is important that the charges for services keep pace. The proposed adjustments to the fee schedule are reasonable and serve to focus the cost on the users of the service versus distributing it throughout the community. I recommend that the Council adopt the proposed fee schedule.

**BACKGROUND:**

The Derry Fire Department currently bills for EMS medical transports and services related to those transports. Town of Derry Selectmen assessed a user fee for EMS transports back in 1972. In 1990 the Derry Town Council modified the user fee to the existing billing practices. The revenue collected from EMS transports underwrites the cost of EMS services rendered by the Fire Department.

**DISCUSSION:**

The ambulance fee schedule has not been adjusted since April, 2012. Personnel cost and operational expenses, including ambulances and disposable medical supplies have increased each year. A recent comparison of ambulance billing rates for like size departments providing ALS ambulance transportation services, as well as, Finch and Associates 200 City Survey (February 2014) revealed that the Derry Fire Department fee scheduled is less than other like sized departments in our area. By comparison, Derry charges approximately 15% less than Londonderry Fire and Salem Fire, which are like sized departments providing the same level of service.

**FISCAL IMPACT:**

88% of the patients who utilized Derry Fire Ambulance transportation services have a form of health insurance. Records indicate the following dispersed payer mix: 50% Medicare, 13% Medicaid, 25% private health insurance, and 12% uninsured. Based on this payer mix, there are only two payer groups that will be affected by our recommended transport rate adjustment: 1) patients with private health insurance, and 2) patients who are uninsured. Medicare and Medicaid reimbursement will remain unchanged and in line with each's allowable charges schedule.

Based on EMS transports from FY-15, payments from patients with Health Insurance and those who were uninsured was \$461,409. Our recommended 12% adjustment for EMS transport fees could potentially increase overall EMS revenues by as much as 5% or \$55,000 annually.

The Derry Ambulance Hardship Committee reviews applications submitted by clients who have no insurance and/or have no ability to pay their ambulance bill and often makes accommodations as

deemed appropriate. The committee's options to assist in hardship cases include recommending removal of debt, invoice reduction and/or payment plans.

**RECOMMENDED ACTION BY COUNCIL:**

Approval of recommended EMS transport rates for BLS, ALS1, ALS2 and SCT transportation services and mileage.

**RECOMMENDED MOTION:**

I MOVE THAT THE TOWN COUNCIL schedule a hearing for Tuesday, August 16, 2016 at 7:30 p.m. in the Main Meeting Room of the Derry Municipal Center to hear a presentation by staff and to take testimony from the public regarding a change in the fee schedule for Ambulance Transportation and Related Services.

*Vote required: Simple majority of the Councilors present.*

Attachments: Proposed Fee Schedule  
DRAFT Resolution #2016-021

<b>Derry Fire Department</b>	<b>Current Rates 2012</b>	<b>Proposed +12% 2016</b>	<b>Proposed Bundled Rates 2016</b>
BLS Non-Emergency	\$457.00	\$512.00	\$617.00
BLS Emergency	\$457.00	\$512.00	\$617.00
ALS1 Emergency	\$707.00	\$792.00	\$1152.00
ALS2 Emergency	\$778.00	\$871.00	\$1614.00
SCT Emergency	\$934.00	\$1052.00	\$1795.00
ALS Treat and Release	\$166.00	\$186.00	\$186.00
Mileage	\$13.00	\$17.00	Incl. in Base Rate
Oxygen	\$53.00	\$59.00	Incl. in Base Rate
IV Therapy	\$145.00	\$162.00	Incl. in Base Rate
ALS/BLS Exp. Supp.	\$94.00	\$105.00	Incl. in Base Rate
Defibrillation	\$124.00	\$139.00	Incl. in Base Rate
Advanced Airway	\$124.00	\$139.00	Incl. in Base Rate
Cardiac Monitor	\$124.00	\$139.00	Incl. in Base Rate

**Definitions**

**BLS Emergency:** Basic Life Support, no advanced medical care or medications required.

**ALS1 Emergency:** Advanced Life Support, ALS assessment and at least one ALS intervention.

**ALS2 Emergency:** Advanced Life Support, ALS procedures and/or three or more medications.

**SCT:** Specialty Care Transport, hospital to hospital emergency transports.



# RESOLUTION

## Number 2016-021

To Adopt a Revised Fee Schedule for Ambulance Transport and  
Associated Emergency Medical Services

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WHEREAS, Section 7.2 of the Town Charter empowers the Town Council regulate all fees for the use of the services of the Town; and

WHEREAS, the current fee schedule for ambulance transport and associated emergency medical services has not been adjusted to meet the cost of providing such services over a period of four years; and

WHEREAS, the result thereof places a greater burden on the taxpayers-at-large of the town; and

WHEREAS, it is the intent and policy of the Town Council to maintain as prudent a tax rate as possible by making appropriate and reasonable use of user fees for certain Town services;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the proposed Schedule of Fees for Ambulance Transport and Associated Services, dated July 19, 2017 and attached hereto, is hereby approved; and

BE IT FURTHER RESOLVED that the Town Administrator is instructed to cause the newly approved schedule of fees to take effect on the first day of the month immediately following adoption of this Resolution.

This Resolution shall take effect immediately upon its passage.

Adopted: August 16, 2016.

Attest:

X \_\_\_\_\_  
Brian Chirichiello, Council Chair

X \_\_\_\_\_  
Daniel Healey, Town Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_