

STAFF REPORT

AGENDA ITEM #: 18-75
COUNCIL MTG OF: June 19, 2018
FROM: Dave Caron, Town Administrator
OFFERED BY: Michael J. Gagnon, Fire Chief
PREPARED BY: Chuck Hemeon, EMS Director
SUBJECT: Ambulance Transport Rate Adjustment

PURPOSE:

Recommendation to adjust Ambulance Transport Fees.

TOWN ADMINISTRATOR COMMENTS:

As discussed below, the cost of providing EMS services is constantly increasing. As a result, it is important that the charges for services keep pace with the region. 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 2018 fee schedule.

BACKGROUND:

The Derry Fire Department currently bills for EMS medical transports and services related to those transports. The Derry Fire Department has operated the Ambulance Service since 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 September 2016. As per Town of Derry Administrative Regulation #57 - Ambulance Billing and Collections; the ambulance rates Charge Master will be updated every two (2) years and approved by the Town Council. 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, Client Rate Comparison prepared by Quick Med Claims (March 2018) revealed that the Derry Fire Department fee scheduled is less than other like sized departments in our area. By comparison, Derry charges approximately 35% less than Windham Fire, Salem Fire and Bedford Fire which are municipal departments providing the same level of service.

FISCAL IMPACT: confirmed

Eighty-Seven percent (87%) of the patients who utilized Derry Fire Ambulance transportation services have a form of health insurance. Records indicate the following dispersed payer mix: Medicare – 52%, Medicaid – 14%, private health insurance – 21%, and uninsured - 13%. 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 May 1, 2017 to April 30, 2018, payments from patients with Health Insurance and those who were uninsured was \$580,942. Our recommended 8% adjustment for EMS transport fees could potentially increase overall EMS revenues by \$46,500 annually.

Quick Med Claims 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. Quick Med Claims 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, ALS-1, ALS-2 and SCT transportation services and mileage.

RECOMMENDED MOTION:

Please see Resolution #2018-31

**2018 Proposed Fee Schedule
September 1, 2018**

Derry Fire Department	Current Rates 2016	Proposed + 8% 2018
BLS Non-Emergency	\$617	\$667
BLS Emergency	\$617	\$667
ALS 1 Emergency	\$1152	\$1245
ALS 2 Emergency	\$1614	\$1745
SCT Emergency	\$1795	\$1935
ALS Treat and Release	\$186	\$200
Mileage	\$17	\$22

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.

ALS Treat and Release: ALS medical supplies utilized and patient refuses to be transported