

STAFF REPORT

AGENDA ITEM #: #19-95
COUNCIL MTG OF: August 13, 2019
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 fees for EMS transport services keep pace with the region and what insurance companies are willing to pay. The proposed adjustments to the fee schedule are reasonable and serve to focus the cost on the users of the EMS service versus distributing throughout the entire community. I recommend that the Council adopt the proposed 2019 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 was last adjusted since September 2018. Personnel cost and operational expenses, including ambulances and disposable medical supplies increase 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 2019) revealed that the Derry Fire Department fee scheduled is less than other like sized departments in our area. By comparison, Derry charges approximately 45% less than Windham Fire, Salem Fire, Epping and Bedford Fire which are municipal departments providing the same level of service. Because of Derry's lower rates - we are not capturing all revenue that insurance companies are willing to compensate for.

FISCAL IMPACT:

On any given month, Eighty-Nine percent (89%) of the patients who utilized Derry Fire Ambulance transportation services have a form of health insurance. Records indicate the following dispersed payer mix: Medicare—56%, Medicaid—16%, private health insurance—17%, and uninsured-11%. 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 (72% of our patients) reimbursement will remain unchanged based on their current fee schedules.

Please see FY19 transports and collections by payer mix listed below:

Coverage	Transports	Net charges	Collections	% Collections
Insurance	695	\$797,728	\$446,466	56%
Private Pay	249	\$277,892	\$18,950	7%
Medicare	1446	\$683,242	\$573,101	84%
Medicaid	324	\$67,994	\$52,884	77%

Based on EMS transports from July 1, 2018 through June 30, 2019, payments from patients with Health Insurance and those who were uninsured was \$465,416. Our recommended 20% adjustment for EMS transport fees and 38% increase in mileage could potentially increase overall EMS revenues by \$128,000 annually.

HARDSHIP PROCESS:

Quick Med Claims provides upon request Hardship applications to 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 based on 2019 HHS Poverty Guidelines have the following options to assist in clients who have submitted Hardship applications, recommend removal of debt, invoice reduction and/or establish payment plans.

RECOMMENDED ACTION BY COUNCIL:

Approval of recommended EMS transport rates for BLS, ALS-1, ALS-2, SCT transportation services, mileage, and invalid assistance.

RECOMMENDED MOTION:

Please see Resolution #2019-051

2019 Proposed Fee Schedule

Derry Fire Department	Current Rates 2018	Proposed 2019
BLS Non-Emergency	\$667	\$800
BLS Emergency	\$667	\$800
ALS 1 Emergency	\$1245	\$1495
ALS 2 Emergency	\$1745	\$2094
SCT Emergency	\$1935	\$2322
ALS Treat and Release	\$200	\$300
Mileage	\$22	\$35
Assist the Invalid/Lift Assist	\$0	\$100

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.

Mileage: Patient loaded from scene to closest destination hospital.

Assist the Invalid/Lift Assist: Individual has no medical complaint, requests to be lifted or extricated in or out of their residence. Fee would only be assessed if the resident made repeated requests for service.