



## STAFF REPORT

AGENDA ITEM #: 21-106  
COUNCIL MTG OF: August 17, 2021  
FROM: Dave Caron, 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 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. This adjustment proposal also includes a new 20% non-resident surcharge. I recommend that the Council adopt the proposed 2021 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 August 2019. 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, medical technology, patient movement devices and disposable medical supplies have steadily 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 (June 2021) 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, 24% less than Bedford Fire and 16% less than Salem Fire, which are municipal departments providing the same type and level of service.

**FISCAL IMPACT:**

During FY-21, 89% of the patients who utilized Derry Fire Ambulance transportation services had a form of health insurance. Records indicate the following dispersed payer mix: Medicare – 52%, Medicaid – 16%, private health insurance – 21%, uninsured - 9% and other 2%. 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 allowable charges and reimbursement are based on an established National or State fee schedule and will not be affected by our proposed rate increase.

Based on EMS transports from July 1, 2020, to June 30, 2021, payments from patients with Health Insurance and those who were uninsured was \$506,244. Our recommended rate adjustment for EMS transport fees to include a newly proposed non-resident surcharge could potentially increase overall EMS revenues by approximately \$100,000 annually.

Quick Med Claims provides a high degree of customer service, reviews hardship applications submitted by clients who have no insurance and have no ability to pay their ambulance bill and has the authority to make accommodations as deemed appropriate. Quick Med Claims has options to assist clients in hardship cases, including recommending removal of debt, invoice reduction and/or establish payment plans.

**RECOMMENDED ACTION BY COUNCIL:**

Approval of recommended 2021 EMS transport rates for BLS, ALS-1, ALS-2, SCT transportation services, mileage and related services.

**RECOMMENDED MOTION:**

See Attached Resolution #2021-057

<b>2021 Proposed Fee Schedule</b>	<b>Current Rates 2019</b>	<b>Proposed 2021 Resident</b>	<b>Proposed 2021 Non-Resident (+20%)</b>
BLS Non-Emergency	\$800	\$1000	\$1200
BLS Emergency	\$800	\$1000	\$1200
ALS 1 Emergency	\$1495	\$1540	\$1847
ALS 2 Emergency	\$2094	\$2262	\$2714
SCT Emergency	\$2322	\$2601	\$3121
ALS Treat and Release	\$300	\$330	\$396
Mileage	\$35	\$36.75	\$44.10

**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