

Orange County Ground Emergency Ambulance Services

Basic Life Support (BLS) Ambulance Rates

Emergency Medical Care Committee
October 2015

Today's Discussion

- Review of ambulance billing practices and EMS ordinance.
- Adjusting ambulance rates to cover increase in California minimum wage laws.
- Identifying a consistent method to annually adjust ambulance rates.



Who Set the Rules ?

- **Federal Level** – CMS or Center for Medicare and Medicaid Services
(Most commonly known as Medicare)
 - Also Includes Senior HMO
- **State Level** – MediCal / CalOptima and other Managed Care MediCal Products, CA Code of Regulations
- **Commercial Insurance** – Trend is to follow Medicare rules

CMS - Approved Levels of Service

- ❑ **Basic Life Support (BLS)**
Ambulance must be staffed with minimum of two people, one of which must be an EMT
- ❑ **Advanced Life Support (ALS)**
Must be staffed with minimum of two people, one of which must be Paramedic

Regulations here in OC

- ❑ Ambulance Ordinance #3517 – April 1985, **“Establishing Requirements for Operations of Ambulances in the Unincorporated Areas of Orange County”**
- ❑ Requires Board of Supervisors to set ambulance rates
- ❑ Used as Model Ordinance by most OC Cities, Except: Anaheim, Costa Mesa, Fullerton, La Habra, Newport Beach and San Clemente.

Historical Board Policies

1987 Policy – Ambulance companies submitted rate application, evaluated by HCA and heard by BOS.

1989 Policy – Ambulance companies submitted rate application, HCA used medical and transportation portion of CPI

1994 Policy – Night charge included in Base Rate

2000 Policy – Ambulance companies submitted specific information relative to increase in costs and decrease in EMTs

2002 Policy – BOS approved methodology of indexing to median rate of surrounding Counties

2007 Policy – BOS approved policy to use 150% of CPI

2013 Policy – Current Board Policy

Current Board Policy

- OC annual ambulance rate adjustments based on Consumer Price Index (CPI) for “All Items” in Los Angeles/Riverside/OC
- Adjacent Counties use “Medical” and “Transportation” CPIs
- Proposed adjusted rates forwarded to Board of Supervisors for approval

Who do these rates apply to?

- Private ambulance companies providing emergency (9-1-1) transport services:
 - Primary Private providers are: Care Ambulance, Emergency Ambulance and Doctor's Ambulance
 - Any private ambulance companies when providing 9-1-1 services
 - Many companies index I.F.T. rates to County rates

Current Approved OC Rates

Emergency BLS Base Rate	\$731.41
Mileage, per mile	\$16.87
Oxygen	\$82.74
Standby, per 15 mins	\$40.83
Expendable Medical Supplies	\$32.66
ALS – OCFA Cities	\$387.35

State Wide Survey - 2015

County	BLS Rate	County	BLS Rate
Glenn	\$3,480.00	Sutter	\$1,206.58
San Benito	\$2,576.61	Yuba	\$1,206.58
Butte	\$2,471.00	Modoc	\$1,200.00
Monterey	\$2,327.84	Trinity	\$1,200.00
San Mateo	\$2,309.65	Lake	\$1,198.00
San Luis Obispo	\$2,277.37	Tulare *	\$1,160.00
Colusa	\$2,265.00	Napa	\$1,150.00
Tehama	\$2,162.00	Nevada ***	\$1,121.00
Yolo *	\$1,975.00	Sacramento	\$1,095.00
Santa Clara	\$1,875.00	Del Norte	\$1,092.00
San Joaquin	\$1,859.60	San Bernardino (Rual)	\$1,084.97
Santa Cruz	\$1,799.62	Alpine	\$1,028.00
Mariposa	\$1,754.00	Los Angeles	\$1,012.75
Stanislaus	\$1,655.03	Solano	\$1,000.00
Placer	\$1,647.11	San Bernardino (Urban)	\$986.32
San Francisco	\$1,642.00	Marin	\$959.00
Lassen	\$1,600.00	Madera	\$900.00
Amador	\$1,550.00	Ventura	\$855.25
Calaveras	\$1,550.00	San Diego	\$850.10
Merced	\$1,500.00	Kings	\$835.36
Siskiyou	\$1,470.00	Fresno	\$835.36
Kern	\$1,450.00	Alameda	\$830.10
Humboldt *	\$1,425.00	Contra Costa	\$813.29
Shasta	\$1,389.35	Inyo	\$801.40
Santa Barbara	\$1,363.53	Riverside	\$789.00
El Dorado	\$1,314.00	Plumas ***	\$750.00
Tuolumne	\$1,313.00	Orange	\$731.41
Mendocino	\$1,298.00	Mono ****	\$703.86
Sierra	\$1,275.00	Imperial	\$672.00
Sonoma	\$1,239.62		
<p>* According to Provider all ALS911 System ** New Rate *** Fire Protection District **** - Health District</p>			
		Median	\$1,239.62
		Average	\$1,387.82

Survey of Surrounding Counties

OES CA – Southern Region

County	BLS Rate
San Luis Obispo	\$2,277.37
Santa Barbara	\$1,363.53
San Bernardino (Rural)	\$1,084.97
Los Angeles	\$1,012.75
San Bernardino (Urban)	\$986.32
Ventura	\$855.25
San Diego	\$850.10
Inyo	\$801.40
Riverside	\$789.00
Orange	\$731.41
<i>Mono</i>	<i>\$703.86</i>
Imperial	\$672.00

Tale of Two Calls

- Traffic Accident, N/B 605 freeway, at Katella

- Single Patient, BLS Transport, neck and back pain

- Charges

• 911 BLS Base	\$731.41
• 2 Miles	\$33.74
• Supplies	\$32.66
Total	\$797.81

- Traffic Accident, S/B 605 freeway, at Carson

- Single Patient, BLS Transport, neck and back pain

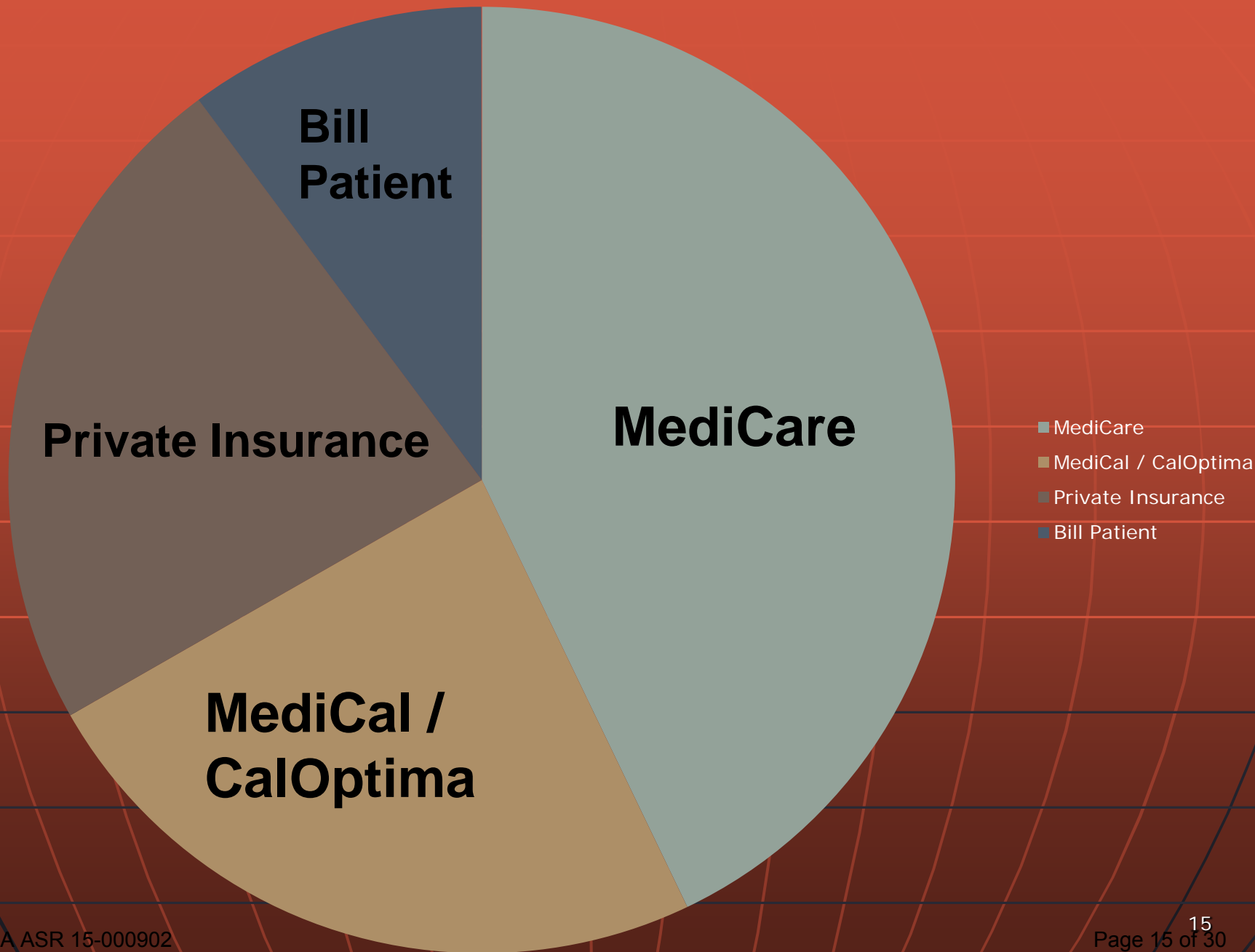
- Charges

• 911 BLS Base	\$1,012.75
• Code 3	\$126.75
• 2 Miles	\$37.00
• Backboard	\$49.75
• Supplies	\$26.50
Total	\$1,252.75

Difference of \$454.94

O.C. EMS Payor Mix - 911

Care and Emergency Ambulance			
2014 Transports			
Medicare	12,969		
Medicare HMO Senior	12,532		
Total Medicare Patient	25,501		42.9%
Medi-Cal / Cal Optima	14,197		23.9%
Private Insurance	13,707		23.1%
Bill Patient - Cash Pay	6,053		10.2%
Total Care & Emergency Number of Transports	59,458		
Add Zone C, D and E Transports	30,533		
Total 9-1-1 Transports	89,991		



Who Pays ?

- MediCal, CalOptima and Gov' t MediCal Managed Care programs, set by CA Statute
Average Payment = \$126
- Medicare and Senior HMO, set by CMS, CMS pays 80% of allowable charges.
Average Payment = \$379
- Commercial Insurance – Most pay full, less co-pay

Costs

According to latest “GAO” report,
October 2012, Average Ground
Ambulance Provider costs per
transport was **\$429**

Patients with No Insurance

- 2014, Care transported 53,542
9-1-1 patients
- 5,798 had no insurance (10.8%),
even after hospital applied for MediCal
- Only 311 (0.6%) actually paid their
ambulance bill

Anaheim 116

Buena Park 24

Cypress 5

La Palma 2

Los Alamitos 5

Seal Beach 17

Stanton 8

Costa Mesa 46

Garden Grv 31

Fountain Valley 15

Fullerton 42

On-Coming Trains

- **25% increase in minimum wage, with more increases coming**
- **Decrease of patients with private insurance; increase of patients on lower-paying MediCal / CalOptima**



25% Increase in Minimum Wage

- January 1, 2008 - \$8.00 hour
- July 1, 2014 - \$9.00 hour
- **January 1, 2016 - \$10.00 hour**
- Cost of increased estimated at \$3.6 million combined annually for EMTs of Care and Emergency Ambulance

Our Challenge

- We can't unilaterally raise our rates or close ambulances early
- Remember, we can't increase any collections from MediCare, Medicare Senior, MediCal or CalOptima
- All costs must be shifted to Commercial Insurance which is only 23.1 % of patients

OC EMS 9-1-1 Transports- 2014

89,991 total patients

$\$3.6 \text{ million} / 89,991 = \40.00

$\$40.00 \times 23.1\% \text{ Private Insurance} = \173.20

New State Survey

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Lassen	\$1,600.00	Proposed Orange	\$904.61
Amador	\$1,550.00	Madera	\$900.00
Calaveras	\$1,550.00	Ventura	\$855.25
Merced	\$1,500.00	San Diego	\$850.10
Siskiyou	\$1,470.00	Kings	\$835.36
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** New Rate

*** Fire Protection District

**** - Health District

New Survey of Surrounding Counties

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New Median

New - Tale of Two Calls

- Traffic Accident, N/B 605 freeway, at Katella

- Single Patient, BLS Transport, neck and back paid

- Charges

• 911 BLS Base	\$904.61
• 2 Miles	\$33.74
• Supplies	\$32.66
Total	\$971.01

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- Single Patient, BLS Transport, neck and back paid

- Charges

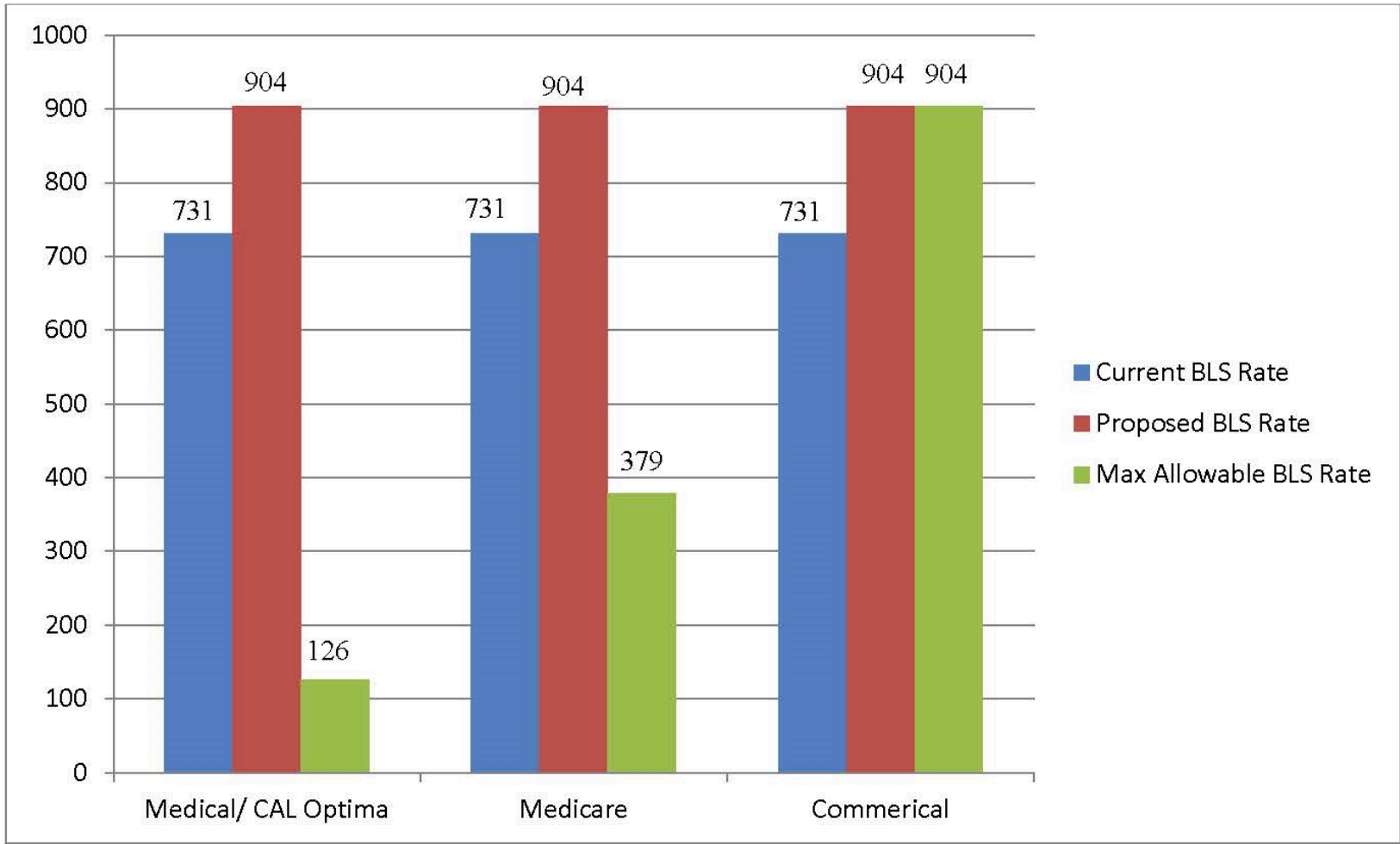
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• Code 3	\$126.75
• 2 Miles	\$37.00
• Backboard	\$49.75
• Supplies	\$26.50
Total	\$1,252.75

Difference of \$281.74

Who Pays the Increase?

- Commercial insurance companies - that already pay higher fees in all other counties. Nationally, ambulance companies represent less than 1% of insurance company spending.
- This cost shift is by Federal design.
- By not billing at the higher rates, you are forcing your local ambulance providers and fire departments to subsidize these commercial insurance companies.

Proposed BLS Summary



Ambulance Profits

- Historically companies were reluctant to share financial reports
- 2014 RFP required submission of audited financial statements
- 7 companies submitted RFPs and those audited financial statements became public records
- Of those 7 submitting companies , 6 were OC based companies
- 3 of those 6, showed a loss on their audited financials
- Remaining 3 OC companies, showed a profit of between 2% to 7%
- **Most profitable company was non OC based company**

The Future

- We must have an annual process that is easy to calculate and administered by OC EMS Agency
- Annual increases / decreases tied to CPI – All Items
- Should be a non-political, math based formula
- Every other year, state wide rate survey, placing OC in Median of State

Recommended Actions

- **Advise Board of Supervisors that to cover increase in costs due to minimum wage increases, increase BLS Base Rate from \$731.41 to \$904.61**
- **Advise Board of Supervisors to consider and approve a sustainable annual method to adjust ambulance base rate using CPI formula and an every other year rate survey**