

## City of Alexandria, Virginia

## MEMORANDUM

DATE: APRIL 4, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 8

SUBJECT: PROPOSED INCREASE IN AMBULANCE TRANSPORT FEES BASED ON  
THE TYPE OF SERVICE PROVIDED

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**ISSUE:** Consideration of an ordinance to increase ambulance transport fees to coincide with rate increases proposed by the counties of Fairfax and Arlington. The higher rates, which are based on the levels of service provided, will allow the City to offset a higher percentage of EMS costs and maximize revenues under the federal government's Medicare program.

**RECOMMENDATION:** That City Council pass the ordinance on first reading and schedule it for public hearing on Tuesday, April 22 and second reading, and final passage on Monday, May 5. The ordinance would become effective on July 1, 2008.

The Alexandria Emergency Medical Services Council supports the fee increases.

**BACKGROUND:** As part of the FY 2009 Proposed Operating Budget, the Fire Department submitted a proposal to increase ambulance transport revenues from \$900,000 to \$1,400,000. This amount will help to offset the cost of EMS service and improve EMS's cost recovery ratio.

Since the 1930's, the Alexandria Fire Department has provided ambulance service to sick, injured, and infirm citizens needing medical assistance. For many years, only limited medical services were provided to severely injured and extremely sick individuals, who were transported as quickly as possible to local hospitals for life-saving medical care. The first charge for Alexandria's ambulance service, a transport fee of \$15, was approved by City Council in June 1969. In 1976, City Council upgraded the City's ambulance service and created the civilian EMS program that is in place today. By the 1980s improvements in emergency care included the introduction of advanced life support services and new medical technologies that could be used in transport. During that same period, the City also implemented advanced training and testing for ambulance personnel (provided mostly by Inova Alexandria Hospital and Northern Virginia Community College) and complied with state-mandated standards and certifications. The City continues to provide high quality emergency medical services.

Since 1969, the City's ambulance transport fees have been increased five times. In 1975, the rate was raised to \$35; in 1981, the rate was increased to \$50; in 1990, the rate was raised to \$100; in

1999, fees were raised to \$200 for residents and \$250 for non-City residents; and in 2006, Alexandria increased fees based on service provided and rates approved by the counties of Arlington and Fairfax, which were set at \$300 for Basic Life Support (BLS) service, \$400 for Advanced Life Support (ALS)-1 service, and \$550 for ALS-2 service.

Alexandria's current transport rates are below those charged, on average, by 57 jurisdictions throughout the Commonwealth of Virginia and are below Medicare's allowable rates to reimburse BLS and ALS transports (Medicare reimburses up to \$371.89 for a BLS transport and up to \$441.51 for an ALS transport).

**DISCUSSION:** An objective in the City's 2004 Strategic Plan is to expand and diversify the City's tax and non-tax revenue base, which includes user fees and charges for service such as ambulance transport.

Over the past four decades, EMS transport fees, or user fees, have helped to recover part of the cost of EMS service, but the cost of EMS service has always exceeded the amount charged for the service. In 1999, fees covered approximately 44% of the cost of ambulance transport. By the time ambulance transport fees were raised to \$300, \$400, and \$550 in FY 2005, the cost of an EMS call was \$647, and the recovery ratio had dropped to 31%. In FY 2007, due to the rising cost of staff and equipment, the cost of an EMS call rose to \$775, and the recovery ratio had dropped, again, to 31%.

Staff recommends that ambulance transport fees be increased, to coincide with increases in Arlington and Fairfax, using the same three-tiered structure described below, which will increase EMS's cost recovery to about 45%. It is important that our fees remain the same as those in Arlington and Fairfax, so that ambulance transports, under our mutual aid response agreement, are charged the same rates in all three jurisdictions.

The ordinance provides definitions of Basic Life Support, Advanced Life Support, Level 1, and Advanced Life Support, Level 2. The definitions of these three levels of care are found in the National Emergency Medicine Service Education and Practice Blueprint, which is a nationally recognized publication about EMS standards of care. The proposed fee schedule is as follows:

**BASIC LIFE SUPPORT (BLS)** -- Proposed New Fee is **\$400**: BLS service is the transportation by ground ambulance vehicle and the provision of medically necessary supplies and services *without* Advanced Life Support intervention;

**ADVANCED LIFE SUPPORT (ALS-1)** -- Proposed New Fee is **\$500**: ALS-1 service is the transportation by ground ambulance vehicle and the provision of medically necessary supplies and services, including the provision of an ALS assessment and at least one ALS intervention; and

**ADVANCED LIFE SUPPORT (ALS-2)** -- Proposed New Fee is **\$675**: ALS-2 is the transportation by ground ambulance vehicle and the provision of medically necessary supplies and services including: (1) at least three separate administrations of one or more medications by

intravenous push/bolus or by continuous infusion; or (2) ground ambulance transport and the provision of a least one *very advanced* ALS procedure.

The current fee structure includes co-payment write-offs for Alexandria residents, for Medicare and private insurance, which minimizes out-of-pocket expenses for local citizens already paying for EMS service through property taxes and sales taxes. Co-payments will continue to be charged to non-residents who are transported. This fee structure reduces projected new revenues by about \$110,000.

#### THE IMPACT OF INTERJURISDICTIONAL BILLING.

The standardization of fees among the three jurisdictions has allowed Alexandria to collect revenue from patients transported from the counties of Arlington and Fairfax. Chart 1 shows the volume of this activity. The high demand for EMS transport within Alexandria is clearly documented, since medic units from Arlington and Fairfax come into Alexandria almost twice as often as our medic units serve those jurisdictions. Altogether, our three jurisdictions collect almost \$250,000 each fiscal year as a result of sending bills to adjacent mutual aid jurisdictions.

**Chart 1. Mutual Aid Transports Provided and Received**  
Projection for FY 2008 (Based on Transport Data Through March 31)

<b>Mutual Aid Jurisdiction</b>	<b>Transports <u>Provided</u></b>	<b>Transports <u>Received</u></b>
Arlington	63	213
Fairfax	272	384
Metro Washington Airport Authority	8	67
Prince Georges County	8	0
Washington D.C.	0	0
<b>Total</b>		
Mutual Aid Transports	351	664

**FISCAL IMPACT:** The FY 2009 Proposed Budget includes an estimated total of \$1.5 million in General Fund revenues from ambulance transport fees, which represents an increase of \$400,000 from FY 2008 projected revenues. Staff's estimate for FY 2009 assumes a delay in payments for the first quarter of FY 2009, as insurers verify and approve higher payouts for ambulance transport.

**STAFF:** Adam Thiel, Fire Chief

Introduction and first reading:	04/08/08
Public hearing:	04/22/08
Second reading and enactment:	05/05/08

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Section 3-2-131 (IMPOSITIONS, EXCEPTIONS) of Article J (SERVICE CHARGE FOIR CITY AMBULANCE SERVICE), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT), of the Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance increases the City's ambulance service fee to a maximum of \$675, depending on the level of emergency medical services provided, plus \$10.00 per mile transported. Revenue is used to defray the costs of providing EMS services.

Sponsor

Staff

Mark Jinks, Deputy City Manager  
Laura Triggs, Director of Finance  
Ignacio B. Pessoa, City Attorney

Authority

City Charter § 2.07

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE to amend and reordain Section 3-2-131 (IMPOSITIONS, EXCEPTIONS) of Article J (SERVICE CHARGE FOIR CITY AMBULANCE SERVICE), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT), of the Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Sec. 3-2-131 of the Code of the City of Alexandria, Virginia, 1981, as amended, be and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-131 Imposition; exceptions.

(a) The following words and phrases, when used in this section, shall have the meanings set out below:

(1) Basic Life Support (BLS): Medical treatment rendered to, or procedures performed upon, a patient as defined by the "National Emergency Medicine Services Education and Practice Blueprint" for the medic B basic (EMT-Basic).

(2) Advanced Life Support, Level 1 (ALS-1): Medical treatment rendered to, or procedures performed upon, a patient beyond the scope of an EMT-Basic level, as defined by the National Emergency Medicine Services Education and Practice Blueprint.

(3) Advanced Life Support, Level 2 (ALS-2): Advanced life support treatment rendered to a patient that includes one or more of the following medical procedures:

- (A) defibrillation/cardioversion,
- (B) endotracheal intubation,
- (C) cardiac pacing,
- (D) chest decompression,
- (E) intraosseous line, or
- (F) the administration of three or more medications.

(4) Ground Transport Mileage (GTM): Distance traveled, measured in statute miles, from the location of the incident to a hospital or other facility to which a patient is transported.

(b) Except as hereinafter provided, there is hereby imposed a service charge of ~~\$300~~ \$400 per BLS transport, ~~\$400~~ \$500 per ALS-1 transport, ~~\$550~~ \$675 per ALS-2 transport, plus a GTM charge of ~~\$7.50~~ \$10.00 per mile, on each person who is transported by ambulance service by the emergency medical services division of the City of Alexandria Fire Department. The funds received shall be paid into the general fund of the city to aid in defraying the cost of providing such service.

1 (c) No charge shall be imposed on persons in the following instances:

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3 (1) Persons in the custody of the police department or the office of the sheriff of the  
4 city;

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6 (2) Persons determined to be medically indigent according to (i) the eligibility  
7 determination made by the hospital to which the person is transported, or (ii) Level A of  
8 the income level scales established by the health department of the city for the purpose of  
9 determining eligibility for health services;

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11 (3) Victims of violent crime, as identified by the commonwealth's attorney for the  
12 city;

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14 (4) Persons affected by fire, flood, storm, natural or man-made calamity or disaster,  
15 or by widespread public disturbance or disorder when an emergency rescue vehicle of the  
16 city responds as a matter of policy without call;

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18 (5) City of Alexandria employees who become ill or are injured during working hours  
19 while carrying out work-related duties; or

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21 (6) Children 18 years of age or younger who require emergency medical service and  
22 transport while attending school or a school-related activity.

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24 Section 2. That this ordinance shall be effective July 1, 2008.

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27 WILLIAM D. EUILLE  
28 Mayor

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30 Introduction: 04/08/2008  
31 First Reading: 04/22/2008  
32 Publication:  
33 Public Hearing:  
34 Second Reading:  
35 Final Passage: