



Date: May 26, 2015

To: Patrick H. West, City Manager *T.H.W.*

From: Michael A. DuRee, Fire Chief *MA*

For: Mayor and Members of the City Council

Subject: PROPOSED FIRE FIRST RESPONDER FEE

In July, 2015, the Long Beach Fire Department (LBFD) plans to request City Council approval to implement a First Responder Fee, which would partially offset the costs of providing emergency medical services and help maintain Fire Department services. This memorandum provides information regarding the proposed fee.

Background

In FY 15, the Department has budgeted \$11.3 million in ambulance transport revenue, which includes \$400,000 in budgeted Ground Emergency Medical Transportation (GEMT) revenue. The annual budgeted cost of providing paramedic services totals \$22.1 million annually, far exceeding budgeted revenue.

Additionally, there is a significant cost associated with providing fire engine responses to medical incidents, which comprise approximately 85% of all Fire Department responses. A fire engine is staffed with four personnel -- three Emergency Medical Technicians and one Paramedic. The fire engine is typically the first apparatus to respond to an incident and there is currently no mechanism by which the Department can cover the costs of services provided by fire engine personnel. Similarly, when an ambulance responds to a medical emergency and the patient is not transported, there are no fees charged to offset these costs.

Proposed Fee Amount

The Department proposes to charge a \$250 Fire First Responder Fee to patients that are medically evaluated and treated by Fire staff on a first responder unit. This would be separate, and in addition to, the current ambulance fees that are charged when there is a transport. The amount of the fee is consistent with those that other California agencies charge (please see Attachment 1), and assumes full recovery of personnel, apparatus, emergency medical supplies and equipment, and administrative costs.

As noted above, there are significant costs associated with an emergency medical response, which includes a fire engine and an ambulance, and the six Fire staff members associated with the apparatus. A patient evaluation and assessment involves a medical history and the taking of vital signs, such as blood pressure, pulse, breathing, and body temperature, and also often includes monitoring heart activity and measuring blood sugar. Patients are often treated on-scene as well. An

example of treatment is the intravenous administration of glucose for altered diabetic patients, which is a frequent occurrence.

Patients who are evaluated and/or treated would receive a bill for the First Responder Fee from the City. If the Fire Department transported the patient as a result of the emergency response, the First Responder Fee would be added to the bill for ambulance transport services. Those patients who are covered by a private insurance policy or Medicare/MediCal would have an opportunity to provide their medical insurance information to the City. The City would then submit the bill to the appropriate insurance company or governmental agency.

Estimated Annual Revenue and Associated Costs

Although very difficult to project, the annual gross First Responder Fee revenue is roughly estimated to be approximately \$1.8 million, which would be partially offset by about \$200,000 in additional annual costs associated with the billing and collection of fees, including staffing, supplies, postage, and software maintenance. The net annual revenue is therefore preliminarily estimated at \$1.6 million, once the program is established.

Impact on Future GEMT Revenue

The implementation of a First Responder Fee will also allow the LBFD to maximize future GEMT funds that the City currently receives as a supplement to normal ambulance revenue. Under the GEMT program, ambulance service providers are reimbursed for a portion of the difference between the full costs of providing Medical Transportation Services (MTS) to individuals covered by MediCal and the amount of MediCal revenue received for these services. Currently, GEMT reimbursement applies only to the costs of providing MTS. Future GEMT legislation will be introduced that, if passed, will allow ambulance service providers to claim reimbursement for the non-MTS components of providing services at medical emergencies. This would include cost recovery for a portion of the cost of medical services provided by EMT and Paramedic staff on fire engines, as well as the cost of medical services provided by Paramedics and Ambulance Operators on ambulances when there is no patient transport. However, local governments will only be able to recover costs under this program if they are currently charging customers for the non-MTS component of the response. The implementation of the Fire First Responder Fee would satisfy this requirement.

Availability and Use of Revenue

It is City financial practice with regard to a new revenues program, where the revenue is highly uncertain, to wait and see what the revenue pattern will actually be before budgeting a significant amount of revenue. This program will also take some time to establish a revenue pattern. As a result, the first year this revenue would be fully budgeted is FY 17. If approved in FY 15, the City will establish what the revenue pattern is in FY 16 and then budget for it in FY 17. The revenue, if it matches initial projections, should be able to be used to help maintain fire and

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emergency response services in the face of expected budget reductions in FY 17 and FY 18.

I look forward to bringing this issue to the City Council in July. Additionally, I would be pleased to present information on the proposed First Responder Fee to any City Council committee, upon request, prior to bringing this before the full City Council.

If you have any questions regarding this information, please contact me at 570-2505.

ATTACHMENT 1

California Fire Agencies with First Responder Fees

<u>Fire Agency</u>	<u>First Responder Fee</u>
Alameda County Fire Department	\$433
Alhambra Fire Department	\$250
Anaheim Fire Department	\$350
Contra Costa County Fire Department	\$400
Corte Madera Fire Department	\$325
Cosumnes Community Services District Fire Department	\$143
El Dorado County Fire Department	\$317
Folsom Fire Department	\$225
Novato Fire Department	\$425
Sacramento Fire Department	\$225
Sacramento Metropolitan Fire District	\$276
Tracy Fire Department	\$300