

BLS Ambulance Transport Fee Program

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WASHINGTON

Background

Many ambulance providers, whether fire-based, third-service, or private, implement service charges in various forms. Among neighboring jurisdictions like Bellevue, Kirkland, Mercer Island, and the areas served by Eastside Fire & Rescue, charging for Basic Life Support (BLS) ambulance transports is standard practice.

The approach to cost recovery varies across providers. In comparison, some adopt highly aggressive models, but most lean towards moderate strategies, which typically involve billing insurance, Medicare, Medicaid, and accessing federal subsidies.

However, exceptions to seeking cost recovery exist, such as Redmond, where taxpayers primarily subsidize the system through levies and revenue from the general fund. This subsidy can be eliminated by accepting state and federal funding programs that have been in place for many years.



Goals

- Access well-established state and federal funding sources to help close the public safety funding gap and lessen the burden on local taxpayers.
- Ensure sustainability of our EMS program and maintain service levels considering rapid population growth and the rising demand for service.
- Implement a program that aligns with all the other Fire-based EMS transport providers in King County and nationwide.



Types of Fees

Here's the list of cost recovery models arranged from most aggressive to least aggressive:

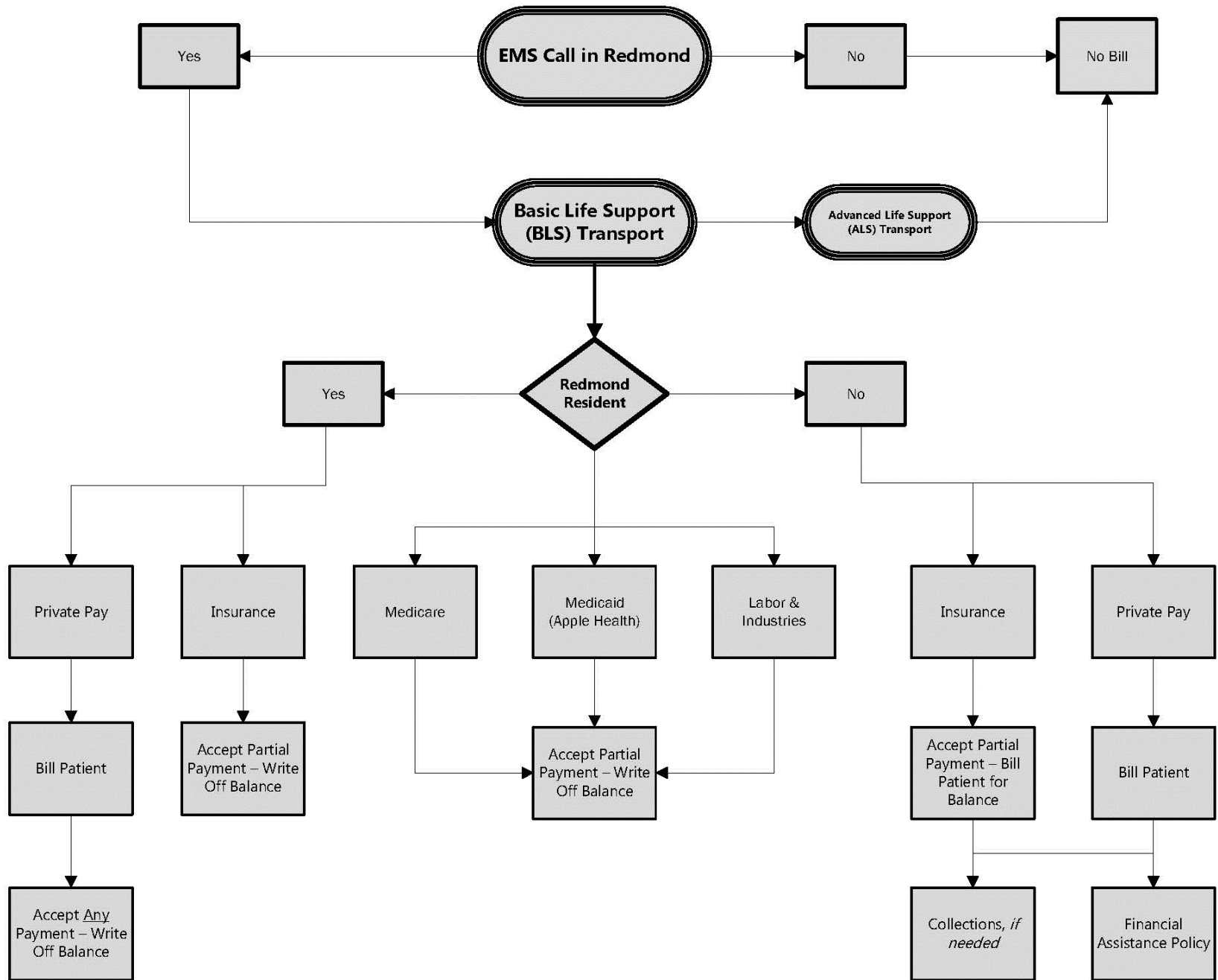
- Bill insurance, Medicare, and/or Medicaid, and patient.
 - Refer patient to collections for the difference if needed.
- Bill insurance, Medicare, and/or Medicaid, and patient.
 - Do not refer patient to collections; write off the difference.
- **Bill insurance, Medicare, and/or Medicaid, and patients.**
 - **Redmond residents pay nothing; write off the difference.**
 - **Non-Redmond residents referred to collections if necessary; or write off the difference under a financial hardship policy if there is no ability to pay.**
- No billing (Current Redmond Policy).



MEDICAID in WA

- Ground Emergency Medical Transport Program & WA Health Care Authority (GEMT & HCA).
 - Federal and State programs that provide supplemental payments to public providers. The supplemental payments cover part of the funding gap between a provider's actual costs per GEMT transport and the allowable amount received from Washington Apple Health (Medicaid) and any other sources of reimbursement.





Neighboring Jurisdictions

- Bellevue: \$950 base fee plus \$15 per mile for ambulance transport.
- Kirkland: \$876 base fee plus \$20 per mile for ambulance transport.
- Mercer Island: \$1,064 base fee plus \$17 per mile for ambulance transport.
- Renton: \$1,100 base fee plus \$17 per mile ambulance transport.
- Duvall/KCFD45: \$992 base fee plus \$19 per mile ambulance transport.



Neighboring Jurisdictions

- Estimated annual revenue based on blending of Bellevue and Kirkland:
 - \$895 plus \$100 mileage (5 miles) = \$995
 - \$995 x 1,100 transports (est.) = \$1,094,500
 - \$1,094,500 x 90% collection rate = \$985,050
 - \$985,050 – \$26,400 (Billing Company Rate) = \$958,650
 - \$958,650 - \$170,000 (admin, annual fee study, cost reports, etc.) = **NET \$788,650**



Pros

- Arguments in favor:
 - Potential for **\$788,000** in additional net revenue annually.
 - Redmond is one of the last fire departments in King County that does not charge for BLS ambulance transport. (exceptions: Seattle and South King Fire & Rescue)
 - This program brings Redmond into alignment with the regional EMS providers.
 - Insurance companies and Federal government have fully established payment systems for this program.
 - Not charging for BLS transport is somewhat of a subsidy to private insurance companies and the Federal government.



Cons

- *“Taxpayers are ‘already paying’ for a portion of the service through property taxes and a levy.”*
 - The general fund is essentially subsidizing the portions that the state and federal government have offered to pay, but we have not asked for the funding yet.
- *“Some patients’ might have to pay the co-pay to their insurance, rendering the ‘no out-of-pocket’ argument somewhat imprecise.”*
 - Insurance providers will pay their contracted amount and leave the rest to the City to invoice the patient. In the case of a Redmond resident, we will not send the “balance due” notice and process as a “write-off”.
- *Unit Hour Utilization (UHU) will increase slightly as crews remain at the hospital longer collecting billing information in certain cases.*
 - This is a consideration of the program but also the justification for the fee charged back to the federal government for our services.



Recommendation

- Adopt the BLS Transport Fee program, initial fee structure, and our billing methodology.
- Amend Redmond Municipal Code Sections 3.90.010 thru 3.90.030).
- Approve the BLS Transport Fee policy, including the “write-off” process.



Next Steps

- Form a team including the fire, finance, communications, and TIS departments to assess needs
 - Develop accounting processes (pre-billing)
- Draft Municipal Code Update, Financial Assistance/Write-Off Policy, and Privacy Notice for Council Review and Approval.
- Identify training needs for fire suppression and administrative personnel
- Update HIPAA requirements
 - Some increased requirements
- Apply for authorization to bill Medicare (through CMS)
- Apply for authorization to bill Medicaid (through HCA)
- Apply for authorization to bill Labor & Industries (L&I) for workers' compensation related incidents
- Begin discussions with other adjacent BLS transport providers to align billing processes so billing can be seamless in the region. In other words, Bellevue or Kirkland could transport a Redmond patient and follow the same rules as we have in place now. Conversely, we could transport a patient in Bellevue or Kirkland and follow their rules for billing.



Summary

1. Establishing an EMS Transport Fee program aligns the Redmond Fire Department with the majority of agencies in King County, as well as agencies throughout the U.S.
2. The City recovers approximately \$788,000 in costs annually.
3. Residents will not receive a bill.