

**BOARD OF SUPERVISORS
ACTION ITEM**

SUBJECT: **New Chapter of the Codified Ordinance of Loudoun County to establish Emergency Medical Services Transport Reimbursement**

ELECTION DISTRICTS: Countywide

CRITICAL ACTION DATE: January 2014

STAFF CONTACTS: John Sandy, Assistant County Administrator
Ben Mays, CFO, Management and Financial Services
Jason Cournoyer, Management and Financial Services
Keith Brower, Chief, Fire, Rescue and Emergency Management (DFREM)
Doug Rambo, Loudoun County Fire-Rescue Commission
Jose Salazar, Deputy Chief-EMS, DFREM

RECOMMENDATION:

Staff recommends that the Board of Supervisors adopt the proposed Chapter of the Codified Ordinances of Loudoun County (Attachment 1) in order to establish an Emergency Medical Services (EMS) Transport Reimbursement Program. Staff further recommends the Board approve a budget adjustment to appropriate prior year General Fund balance in the amount of \$365,000 for the FY 2014 programmatic budget, in order to fund the required staff of 3.00 FTE to establish and operate the EMS Transport Reimbursement Program, and to direct staff to proceed with the remaining implementation activities necessary for an effective program start date of July 1, 2014 including advertisement of EMS reimbursement rates as part of the FY 2015 advertised tax rates and fee schedules and public hearing.

BACKGROUND: At their December 11, 2013 public hearing, several speakers addressed the Board of Supervisors on the proposed ordinance to establish an EMS Transport Reimbursement Program. Several issues raised are associated with technical and grammatical aspects of how emergency medical service is defined within the proposed ordinance. The Board of Supervisors voted 7-1 to forward the ordinance to their January 15, 2014 business meeting for action. Since the December 11, 2013 public hearing, staff has addressed the most notable technical issues raised at the public hearing and is proposing two minor changes to the proposed ordinance as follows:

- 911.02 C. ADVANCED LIFE SUPPORT, LEVEL 2: *advanced life support medical treatment provided to a patient by personnel who are certified as an Emergency Medical Technician (EMT) – ~~Enhanced~~, Intermediate or Paramedic...* The definition for ALS-2 has been revised to remove the Enhanced level of EMT, which is a Commonwealth of Virginia Office of Emergency Medical Services distinction and the “Enhanced” level does not perform ALS-2 level of treatment.

Note: This change will align the proposed ordinance with how this service is defined by Medicare and Medicaid.

- 911.05 C. 2. c. *25% of the total net revenue will be disbursed to a Company or DFREM that provided Staff for the ~~call~~ transport; either BLS or ALS, and if circumstances where two Companies responded, the Company staff that provided the highest level of ~~response~~ treatment during the transport will receive the payment.* This section has been revised to provide a percentage to the Company providing the highest level of treatment during the transport, rather than simply responding due to the EMS Transport Reimbursement Program only billing for transport based on the level of treatment delivered and not the response provided by emergency responders on the scene of the incident.

Note: This change attempts to better define the level of EMS transport service being reimbursed for what level of treatment provided; and it aims to eliminate any confusion over which provider will receive credit for the transport.

On October 16, 2013, the Board of Supervisors, in addition to forwarding the ordinance to public hearing, voted 8-1 to conditionally approve 3.00 FTE and a budget adjustment appropriating prior year General Fund balance in the amount of \$365,000 for the FY 2014 programmatic budget requirements to establish and operate the EMS Transport Reimbursement Program, and directed staff to proceed with the remaining implementation activities necessary for an effective program start date target of July 1, 2014 following the Board’s adoption of the proposed ordinance (Attachment 2).

EMS Reimbursement Rates—The reimbursement rate schedule includes elements approved through previous actions by the Board and includes: a soft billing model; a fee structure based on current market rates, not to exceed 10 percent of the highest comparable neighboring jurisdiction, with exception of Advanced Life Support-2 (ALS 2) which is to be set at \$770; a fee structure adjusted annually as part of the budget development process; and using a revenue sharing component among Fire/EMS system participants that would be managed by the County.

The draft ordinance does not include reimbursement rates for Basic Life Support (BLS), Advanced Life Support 1 (ALS 1), and Advanced Life Support 2 (ALS 2). Under the advice of the County Attorney, the proposed EMS reimbursement rates will be included as part of the FY 2015 Advertised Tax Rates and Fee Schedule Public Hearings in February and March 2014. The soon-to-be advertised rates, which remain unchanged from the Board’s October 2013 action are as follows:

Proposed EMS Reimbursement Rates (<i>established October 2013</i>)	
Reimbursement Type	Reimbursement Rate (\$)
Basic Life Support (BLS)	\$467
Advanced Life Support (ALS-1)	\$660
Advanced Life Support (ALS-2)	\$770
Mileage	\$11 per mile

Note: These reimbursement rates are “ideal” rates for collection from private insurance and self-insured for EMS transports. However, the federal government sets levels for reimbursement for both Medicare and Medicaid patient transports which are lower than the proposed rates. The projected fiscal impact for a full 12 month implementation of this program accounts for the varying levels of reimbursement from federal programs.

EMS Reimbursement Revenue Sharing—The proposed revenue sharing component for the Fire/EMS system participants presented to the Board by the Ludwig Group LLC on July 17, 2013 is based upon fiduciary responsibility and remains unchanged from what was initially proposed in the ordinance. The revenue sharing percentages are as follows:

Proposed EMS Reimbursement Revenue Sharing (<i>established July 2013</i>)	
Fiduciary Responsibility Type	Percentage Share (%)
Apparatus (transport vehicle) ownership	20%
Station ownership	20%
EMS provider (highest level of treatment)	25%
County provided infrastructure	25%
First responder (units assigned to first response)	10%

Stakeholder and Community Outreach Efforts to Date—Since July 2013, staff conducted outreach to the County’s Combined Fire-Rescue System (LC-CFRS) and other targeted stakeholders, and continued the development of a comprehensive public education and outreach campaign plan to be implemented following the adoption of this proposed new ordinance.

Stakeholder Outreach Efforts from July 2013 to date:

- **Published an informational webpage** on the County’s website on the EMS Transport Reimbursement Program. This page included all Board items, Frequently Asked Questions responses, and an informational presentation. This site is continuously updated and can be accessed at: www.loudoun.gov/emsreimbursement.
- **Held outreach meetings** on the evenings of August 27 and September 30 at the Fire-Rescue Training Center, August 28 at the Purcellville Town Hall and August 29 at the Ashburn Library. These outreach meetings coincided with the outreach efforts of the LC-CFRS proposed restructuring. The consultant’s representative attended three of the four meetings and provided a detailed, comprehensive presentation on the structure of the proposed EMS Transport Reimbursement Program, the technical operational aspects of the program and billing process, and addressed several questions both before and after the presentation.

- ***Presentations to other stakeholders*** were provided by County staff that included detailed aspects of the EMS Transport Reimbursement Program, the current practices and regulations of emergency medical services procedures and addressed all questions about any element of emergency services. Presentations were provided as follows: the Commission on Aging Subcommittee on September 30 at the County Government Center; the Carver Senior Center on October 17; the Leesburg Senior Center on October 28; and the Disability Services Board on the evening of October 17. Further presentations were conducted at Ashby Ponds Senior Living Community on November 22 and Leisure World Senior Living Community on December 3. Additional presentations are to be provided at additional sites which are in the process of being scheduled now.

ISSUES:

In order to complete the necessary activities in establishing the program with an operational start date of July 1, 2014, the following proposed schedule is recommended:

1. A public hearing on the proposed ordinance—proposed for December 11, 2013
2. Board adoption of the ordinance—January 2014
3. Board advertisement of EMS Reimbursement Rates—February 2014
4. Procurement of Services and Personnel—January 2014 – June 2014
5. Public Education and Outreach—March 2014 – June 2014
6. Start of the EMS Transport Reimbursement Program—July 2014

Adequate time is necessary in order to hire the required personnel, complete the procurement process for the contracted billing vendor, and conduct a thorough, comprehensive public education and outreach campaign prior to the implementation of the program. As such, the majority of the implementation activities must commence by January 2014 in order to ensure a program effective start of July 1, 2014. It should be noted that any deviation from the proposed timeline may impact the effective start date of the program.

FISCAL IMPACT: Staff recommends that, in conjunction with the Board's adoption of the proposed EMS Transport Reimbursement Program ordinance, a budget adjustment also be approved to appropriate the FY 2014 implementation budget of \$365,000 and that the Board direct staff to proceed with the implementation activities included in Phase 3. An appropriation will be required in FY 2014 for a program effective start date of July 1, 2014. Existing General Fund balance is recommended to be used to cover the initial implementation costs of \$365,000. However, FY 2015 revenues from the EMS Transport Reimbursement Program are expected to cover these implementation expenditures and the funding is to be transferred back to the General Fund by the second fiscal quarter of FY 2015. Funding for all initial and future programmatic costs is proposed to come from EMS Transport Reimbursement Program revenue proceeds and as such, no recurring local tax funding is required.

As part of the adoption process of the ordinance, staff recommends that the reimbursement schedule (as outlined above) in the draft ordinance proposed to the FGSO Committee at their October 8, 2013 meeting be approved by the Board of Supervisors for FY 2015 to be effective upon the establishment of the EMS Transport Reimbursement Program.

Based on the proposed FY 2015 reimbursement rate schedule, the EMS Transport Reimbursement Program is projected to yield approximately \$4.50 million in FY 2015 due to the deferment of revenue as result of the billing and payment process, which typically takes a minimum of 60 days to become fully implemented.

ALTERNATIVES: The Board of Supervisors may modify the proposed draft EMS Transport Reimbursement Program ordinance or implementation elements.

DRAFT MOTIONS:

1. I move the Board of Supervisors **approve:** 1.) a new Chapter of the Codified Ordinance as drafted, with the amendments set forth in this item to establish the EMS Transport Reimbursement Program; 2.) a budget adjustment to appropriate prior year unassigned General Fund balance in the amount of \$365,000 for the FY 2014 programmatic budget, in order to fund the required staff of 3.00 FTE to establish and operate the EMS Transport Reimbursement Program; 3.) proceeding with the remaining implementation activities necessary for an effective program start date of July 1, 2014; and 4.) that the proposed Reimbursement Rate Schedule herein be included as part of the advertisement and public hearings of the proposed FY 2015 tax rate and fee schedule upon the establishment of the program.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. Proposed new Chapter of the Codified Ordinances of Loudoun County (Revised January 2014)
2. Board of Supervisors Action Item #13k, October 16, 2013

Loudoun County, VA

Ordinance 911

EMERGENCY MEDICAL SERVICES

911.01 Designation as Primary Program Agent.

911.02 Definitions.

911.03 EMS Transport Reimbursement.

911.04 Procedure for EMS Transport Reimbursement.

911.05 Administration of EMS Transport Reimbursement Program and Revenue Sharing Procedure.

911.01 DESIGNATION AS PRIMARY PROGRAM AGENT

The Board of Supervisors (“the Board”) hereby designates the County’s Department of Fire, Rescue, and Emergency Management (“DFREM”) as the primary agent for the purpose of emergency medical service transport reimbursement program management.

911.02 DEFINITIONS

A. BASIC LIFE SUPPORT, (BLS): medical treatment, assessment or procedures provided to a patient by EMS personnel who are certified as either an Emergency Medical Technician-Basic or Emergency Medical Technician in accordance with Virginia Emergency Medical Services Regulations 12VAC-31-10.

B. ADVANCED LIFE SUPPORT, LEVEL 1 (ALS-1): medical treatment, assessment or procedures provided to a patient beyond the scope of Basic Life Support by EMS personnel who are certified as an Emergency Medical Technician (EMT) – Enhanced, Intermediate or Paramedic in accordance with Virginia Emergency Medical Services Regulations 12VAC-31-10.

C. ADVANCED LIFE SUPPORT, LEVEL 2 (ALS-2): advanced life support medical treatment provided to a patient by personnel who are certified as an Emergency Medical Technician (EMT) –Intermediate or Paramedic, that includes the administration of at least three medications by intravenous push/bolus or by continuous infusion excluding crystalloid, hypotonic, isotonic, and hypertonic solutions (Dextrose, Normal Saline, Ringer’s Lactate); or providing transportation, medically necessary supplies and/or providing one or more of the following the medically necessary ALS procedures: Manual defibrillation/cardioversion; Endotracheal intubation; Central venous line; Cardiac pacing; Chest decompression; Surgical airway; or Intraosseous line.

D. EMERGENCY MEDICAL SERVICES (“EMS”): services utilized by the County’s Combined Fire-Rescue System (“the system”) in responding to those persons in need of immediate medical care within the County and in any neighboring jurisdiction having entered into a Mutual Aid agreement with the County.

E. MILEAGE: the distance traveled by an ambulance from the point where the patient is picked up, to the hospital and/or a rendezvous point.

F. PATIENT: person transported by a system EMS-licensed ambulance.

G. REASONABLE BILLING EFFORTS: the issuance of a bill to the patient or to the party responsible for the patient’s personal financial obligations, additional billings as necessary, and telephone calls or personal contacts which constitute a genuine, rather than token, billing effort.

H. THIRD PARTY PAYER: insurance carrier or other responsible provider of coverage having the responsibility of paying for emergency medical services rendered to a patient as a result of that patient’s accident, injury or illness.

911.03 EMS TRANSPORT REIMBURSEMENT

A. No person requiring EMS shall be denied services due to a lack of insurance or ability to pay.

B. Any applicable charges for EMS transport rendered shall be billed directly to the patient and/or to the patient’s third party payer.

C. All patients and/or their financially responsible parties, insurers or carriers, will be billed for EMS transport provided by the system according to the Fee Schedule established herein, and shall be responsible for any co-payment or deductible amounts not satisfied by public or private insurance. The third party billing agency shall make reasonable collection efforts for all such balances according to the most current rules or regulations set forth by set forth in applicable sections of the Medicare Carriers Manual and may seek reimbursement from any applicable coinsurance carriers for such amounts.

D. Any patient not billed on assignment by the County’s billing agent and who receives payment directly from a third party payer for ambulance transport rendered by the system is obligated to remit such monies to the County in the event the system has not been paid for services rendered.

E. All County employees and members of Volunteer Fire and Rescue Companies authorized by the Board of Supervisors will not be billed for EMS transports or services rendered that result from a line-of-duty injury or illness.

911.04 PROCEDURE FOR EMS TRANSPORT REIMBURSEMENT

A. A detailed listing of patients who are transported and/or have utilized emergency medical services will be compiled by the third party billing agent, system EMS providers and/or the designated Program Manager. This information will be transmitted to any third party billing agency selected by DFREM to be responsible for reimbursement efforts. The information will, however, be subject to the confidentiality requirements of applicable law.

B. The fees established by the Board of Supervisors for system EMS transports may be adjusted annually in accordance with the federally approved Medicare Fee Schedule or the Consumer Price Index (CPI) as recommended by the County Administrator in the annual budget proposal to the Board. Any change to the fee schedule shall be approved by the Board and included in the adopted appropriation resolution.

C. The County Treasurer's Office will certify and provide the applicable CPI of the EMS Transport Reimbursement Program to the designated Program Manager and third party billing agency. The third party billing agency is to notify the Program Manager and County Treasurer's Office in writing of all applicable Medicare authorized increases; if no increases are applicable to the County, then the Treasurer will validate any increases to the fee schedule for the following County fiscal year.

911.05 ADMINISTRATION OF EMS TRANSPORT REIMBURSEMENT PROGRAM AND REVENUE SHARING PROCEDURE.

A. No local tax revenues are to be used to fund any EMS transport reimbursement efforts. As such, the administrative costs, contractual requirements and other necessary costs associated with conducting the program will derive directly from the EMS transport reimbursement revenue and will be paid first prior to any distribution.

B. Revenues will be distributed with appropriate documentation for all companies to review, audit, and dispute, if necessary. The Treasurer will adjudicate all disputes as necessary. All disputes must be initiated and provided to the designated Manager of EMS Transport Reimbursement Program within thirty days of receipt of the quarterly distributions by the Volunteer Fire and/or Rescue Company which believes there is an issue with the payment received.

C. The revenue distribution will be based on the following formula for calculation of the shares for each of the Volunteer Fire and Rescue Companies and DFREM:

1. The totals of all payments received will be divided by the total number of calls (minus all programmatic costs required to generate the revenue; i.e. third party billing agency fees, administrative costs) and will result in a net revenue-per-run.

2. The net revenue-per-run will then be applied in the following manner:
 - a. 20% of the total net revenue will be disbursed to the Company or DFREM which owns the apparatus used for the transport
 - b. 20% of the total net revenue will be disbursed to the Company or DFREM that owns the Station for the call
 - c. 25% of the total net revenue will be disbursed to a Company or DFREM that provided Staff for the transport; either BLS or ALS, and if circumstances where two Companies responded, the Company staff that provided the highest level of treatment during the transport will receive the payment.
 - d. 25% of the total net revenue will be retained by the County for the provision of Fire Rescue system infrastructure.
 - e. 10% of the total net revenue will be provided to the “first-responder” unit assigned to a call which supports EMS transporting units. If no units are assigned for first response, then the 10% is contributed to a pool. At the end of the Fiscal Year, this pool will be distributed by the County Treasurer in equal shares to the Fire Companies that do not provide EMS transports.

#13k

**BOARD OF SUPERVISORS
ACTION ITEM**

SUBJECT: FINANCE/GOVERNMENT SERVICES AND OPERATIONS
COMMITTEE REPORT: Emergency Medical Services (EMS)
Transport Reimbursement Program

ELECTION DISTRICT: Countywide

CRITICAL ACTION DATE: October 16, 2013

STAFF CONTACT: John Sandy, Assistant County Administrator
Ben Mays, CFO, Management and Financial Services
Jason Cournoyer, Management and Financial Services
Keith Brower, Chief, Fire, Rescue and Emergency Management
(DFREM)
Doug Rambo, Loudoun County Fire-Rescue Commission
Jose Salazar, Deputy Chief-EMS, DFREM

RECOMMENDATIONS:

Committee: On October 8, 2013, the Finance/Government Services and Operations Committee voted 4-0-1 (Chairman York absent) to recommend that the Board of Supervisors direct staff to: a) advertise for a public hearing on December 11, 2013 on the proposed ordinance to establish an EMS Transport Reimbursement Program; b) approve a budget adjustment, contingent on adoption of the ordinance, to appropriate prior year General Fund balance amount of \$365,000 for the FY 2014 programmatic budget, in order to fund the required staff of 3.00 FTE to establish and operate the EMS Transport Reimbursement Program; and c) proceed with the remaining implementation activities included in Phase 3 with a projected effective program start date of July 1, 2014.

Staff: Staff concurs with the Committee's recommendation. Staff further recommends that the Board of Supervisors approve, contingent on adoption of the ordinance, the Rate Schedule shown in Table 2 of this item for FY 2015; and that annual adjustments to the Rate Schedule may be recommended by the County Administrator beginning with the annual budget proposal for FY 2016.

**** Implementation of an EMS Transport Reimbursement Program has **no** impact on the emergency medical services provided to citizens and visitors of Loudoun County. EMS will continue to be provided at the same high quality, with no person ever being denied service.*

BACKGROUND: On October 3, 2012, the Board of Supervisors directed the County Administrator to proceed with a Request for Proposal (RFP) for the purpose of studying the feasibility and policy options of implementing an Emergency Medical Service (EMS) Transport

Reimbursement Program (Attachment 1). The preliminary findings of this study were presented to the Finance/Government Services and Operations (FGSO) Committee at their July 9, 2013 meeting. The FGSO Committee voted 4-0-1 (Chairman York absent for the vote) to recommend that the Board of Supervisors direct staff to proceed with Phase 2 of the implementation process and identified the key elements to be included in the ordinance.

At their July 17, 2013 meeting, the Board voted 8-1-0 (Supervisor Clarke opposed) to direct staff to: a) proceed with Phase 2 of the implementation process; b) submit required forms and applications to the U.S. Department of Health and Human Services; and c) to draft a proposed ordinance that includes: a soft billing model; a fee structure based on current market rates, not to exceed 10 percent of the highest comparable neighboring jurisdiction, with exception of Advanced Life Support-2 (ALS 2) which is to be set at \$770; a fee structure adjusted annually based on the Consumer Price Index; and using a revenue sharing component among Fire/EMS system participants that would be managed by the County. (Attachment 2) As directed, staff has prepared a draft ordinance with a reimbursement rate for Basic Life Support (BLS), Advanced Life Support 1 (ALS 1), and Advanced Life Support 2 (ALS 2) of \$467, \$660 and \$770 respectively; a mileage reimbursement of \$11 per mile; and the revenue sharing component among Fire/EMS system participants presented to the Board by the Ludwig Group LLC on July 17, 2013. (Attachment 3)

Staff has progressed in the implementation of the EMS Transport Reimbursement Program. Over a seven-week period from July until early October, staff completed Phase 2, which consisted of outreach to the County's Combined Fire-Rescue System (LC-CFRS) and other stakeholders; drafting an ordinance to include the Board's direction on the billing model, rates, and revenue sharing; identifying implementation costs and required resources; completing required submissions to Department of Health and Human Services; and developing a comprehensive public education and outreach campaign plan to be conducted in Phase 3.

Phase 2: July- October 2013

- Initial LC-CFRS and Stakeholders Outreach Campaign
 - Draft Ordinance
- Estimate costs for implementation and management of program
 - Develop a comprehensive public education campaign



Phase 3 (Implementation): October 2013 - July 2014

- FGSOC & Board Public Hearing Process (October- December 2013)
- Final Adoption and Policy Decision (December 2013 or January 2014)
 - Comprehensive Public Education and Outreach
- Procurement of Services and Implementation of Program (January - June 2014)
 - Program Start date - July 2014

Stakeholder Outreach Efforts: From July to September staff:

- *Published an informational webpage* on the County's website on the EMS Transport Reimbursement Program. This page included all Board items, Frequently Asked Questions

responses, and an informational presentation. This site will be continuously updated throughout the implementation process.

- **Held outreach meetings** on the evenings of August 27 and September 30 at the Fire-Rescue Training Center, August 28 at the Purcellville Town Hall and August 29 at the Ashburn Library. These outreach meetings coincided with the outreach efforts of the LC-CFRS proposed restructuring. The consultant’s representative attended three of the four meetings and provided a detailed, comprehensive presentation on the structure of the proposed EMS Transport Reimbursement Program, the technical operational aspects of the program and billing process, and addressed several questions both before and after the presentation. The presentation materials provided at these meetings is included as Attachment 4.

ISSUES:

Implementation Schedule: Phase 3 (Implementation) is expected to be completed by mid-spring 2014, with the program being operational by July 1, 2014. The schedule proposed for this phase is:

1. A public hearing on the proposed ordinance—proposed for December 11, 2013
2. Board adoption of the ordinance—January 2014
3. Procurement of Services and Personnel—February 2014 – June 2014
4. Public Education and Outreach—March 2014 – June 2014
5. Start of the EMS Transport Reimbursement Program—July 2014

Implementation Costs: As part of their preliminary findings presented to the Board in July, Ludwig Group, LLC included a comprehensive list of costs associated with implementing the EMS Transport Reimbursement Program. The costs are summarized in the table below and explained in the five subsequent paragraphs. Funding for these costs is to be derived from the annual revenues from the EMS Transport Reimbursement Program and as such no recurring local tax funding will be required.

Table 1. Implementation Costs

Programmatic Cost		FY 2014 (Partial Year)	FY 2015 (Full Year)
1	Public Education and Outreach Campaign	\$90,000	\$40,000
2	Contract for Third-Party Billing	\$100,000	\$376,600
3	Banking Services and Lock Box Fees	\$5,000	\$60,000
4	County Management of Program and Contract (3.00 FTE)	\$130,000	\$325,000
5	Technology Requirements and Other Administrative Costs	\$40,000	\$2,400
PROJECTED TOTAL COST		\$365,000	\$804,000

1. ***Public Education and Outreach Campaign***—to provide information and educate the public, LC-CFRS system members and all other stakeholders about the EMS Transport Reimbursement Program in an effort to proactively increase public awareness and reduce citizen complaints. This effort will begin once the draft ordinance is approved to proceed to public hearing and will initially target stakeholders beyond the LC-CFRS. The campaign would go into full effect to the general population once the Board adopts the ordinance, and continue through implementation. In FY 2015, another round of materials will be printed and available for dissemination to the public. If authorized, a consultant would be hired to assist with this short-term engagement. The campaign will consist of the aspects to successfully acclimate all stakeholders to the program that are outlined in Attachment 5. The estimated fiscal impact of the public education and outreach campaign in FY 2014 is approximately \$90,000, including functions performed with existing resources. For FY 2015 (the post-implementation date of the ordinance), the recurring estimated fiscal impact is approximately \$40,000.
2. ***Contract for Third-Party Billing***—Vendors contracted to conduct the billing and collection processes for EMS transport reimbursement programs are usually compensated on a percentage (typically 5% to 7%) of net collections. Based on the programs' annual projected revenues of \$5,380,000, the projected annual contractual costs could range from \$266,000 to \$376,600 and will be covered by revenues from the program. The FY 2014 programmatic budget includes \$100,000 for initial billing vendor set up and foreseen administrative costs prior to the program becoming fully operational on July 1, 2014.
3. ***Banking Services and Lock Box Fees***—The Ludwig Group identified several administrative costs such as banking and lock box services for deposits. The fees for this service can range widely, but they are projected to be approximately \$5,000 a month or \$60,000 a year. Staff from the Treasurer's Office will assist with the procurement process for these services upon the Board's adoption of the ordinance and approval of the program in order to define the level of staff effort and administrative responsibilities in the scope of the third party vendor's contract.
4. ***County Management of Program and Contract***—Staff recommends that three positions be added to achieve a timely and complete implementation and provide ongoing management of the EMS Transport Reimbursement Program. This recommendation is consist with the findings and recommendations Ludwig Group presented to the Board of Supervisors. The suggested staffing structure and description for each of these positions is included in Attachment 6. These personnel costs are proposed to be covered by EMS Transport Reimbursement Program revenue.
5. ***Technology Requirements and Other Administrative Costs***—There are other EMS Transport Reimbursement Program costs associated with build out of cubicle space available at 801 Sycolin Road to locate three new staff members, including items such as office furniture, space design and reconfiguration and computers. Furthermore, the current computer programs need to be updated by ImageTrend for the billing system integration and reporting requirements functionality. This is typically based on the complexity of the integration for which the Ludwig Group has projected a one-time cost of approximately

\$15,000. ImageTrend then charges an annual fee for on-going support that is typically set at 16% of the initial set up fee or \$2,400. The costs of these administrative needs and software updates are proposed to be covered by EMS Transport Reimbursement Program revenue.

FISCAL IMPACT: Staff recommends that in conjunction with the Board’s adoption of an EMS Transport Reimbursement Program ordinance, a budget adjustment also be approved to appropriate the FY 2014 implementation budget of \$365,000 and direct staff to proceed with the implementation activities included in Phase 3. An appropriation will be required in FY 2014 for a program effective start date of July 1, 2014. Existing General Fund balance is recommended to be used to cover the initial implementation costs of \$365,000. However, the FY 2015 revenues from the EMS Transport Reimbursement Program are expected to cover these implementation expenditures and the funding is to be transferred back to the General Fund by the second fiscal quarter of FY 2015. Funding for all initial and future programmatic costs is proposed to come from EMS Transport Reimbursement Program revenue proceeds and as such, no recurring local tax funding is required.

As part of the adoption process of the ordinance, staff recommends that the reimbursement schedule included in the draft ordinance proposed to the FGSO Committee at their October 8, 2013 meeting be approved by the Board of Supervisors for FY 2015 by separate motion, to be effective upon the establishment of the EMS Transport Reimbursement Program. The proposed reimbursement rate schedule is shown in Table 2 below.

Table 2. Proposed Rate Schedule for EMS Transport Reimbursement Program

Service Reimbursement	
Basic Life Support, Emergency (BLS)	\$467.00
Advanced Life Support, Level 1 (ALS-1)	\$660.00
Advanced Life Support, Level 2 (ALS-2)	\$770.00
Mileage Reimbursement	
Per mile traveled (applies to all service types)	\$11.00

Based on this proposed FY 2015 reimbursement rate schedule, the EMS Transport Reimbursement Program is projected to yield \$5.38 million in the first, complete operational year. With a proposed program effective date of July 1, 2014, a full year of revenue is not likely to be yielded due to the billing and payment process that typically lasts a minimum of 60 days. As such, the resulting revenue projection for FY 2015 would be decreased by two months, or 60 days, due to the deferment of revenue. The revised revenue projection is estimated to be approximately \$4.50 million.

ALTERNATIVES: The Board of Supervisors may direct staff continue work on the EMS Transport Reimbursement Program as proposed or modify the proposed draft EMS Transport Reimbursement Program ordinance or implementation elements.

The adoption of the draft motions in this item does not implement EMS Transport Reimbursement Program at this juncture. Further action will be required by the Board to implement the Program.

DRAFT MOTION:

1. I move that the Board of Supervisors direct staff to:
 - a. advertise for a public hearing on December 11, 2013 on the proposed ordinance to establish an EMS Transport Reimbursement Program, with an effective date of July 1, 2014;
 - b. approve a budget adjustment, contingent on adoption of the ordinance, to appropriate prior year General Fund balance amount of \$365,000 for the FY 2014 programmatic budget, in order to fund the required staff of 3.00 FTE to establish and operate the EMS Transport Reimbursement Program; and
 - c. proceed with the remaining implementation activities included in Phase 3 with a projected effective program start date of July 1, 2014.

AND

I further move that the Board of Supervisors approve, contingent on adoption of the ordinance, the Rate Schedule shown in Table 2 of this item for FY 2015; and that annual adjustments to the Rate Schedule may be recommended by the County Administrator beginning with the annual budget proposal for FY 2016.

OR

2. I move an alternate motion.

ATTACHMENTS:

1. FGSO Committee Report: FY 2014 Preliminary Fiscal Guidance-Copy Teste
2. Board of Supervisors Action Item #15h, July 17, 2013
3. Proposed Ordinance for EMS Transport Reimbursement Program
4. EMS Transport Billing Program PowerPoint Presentation
5. EMS Transport Reimbursement Public Education and Outreach Campaign
6. EMS Transport Reimbursement Program Management