



Introduction to EMS Reimbursement



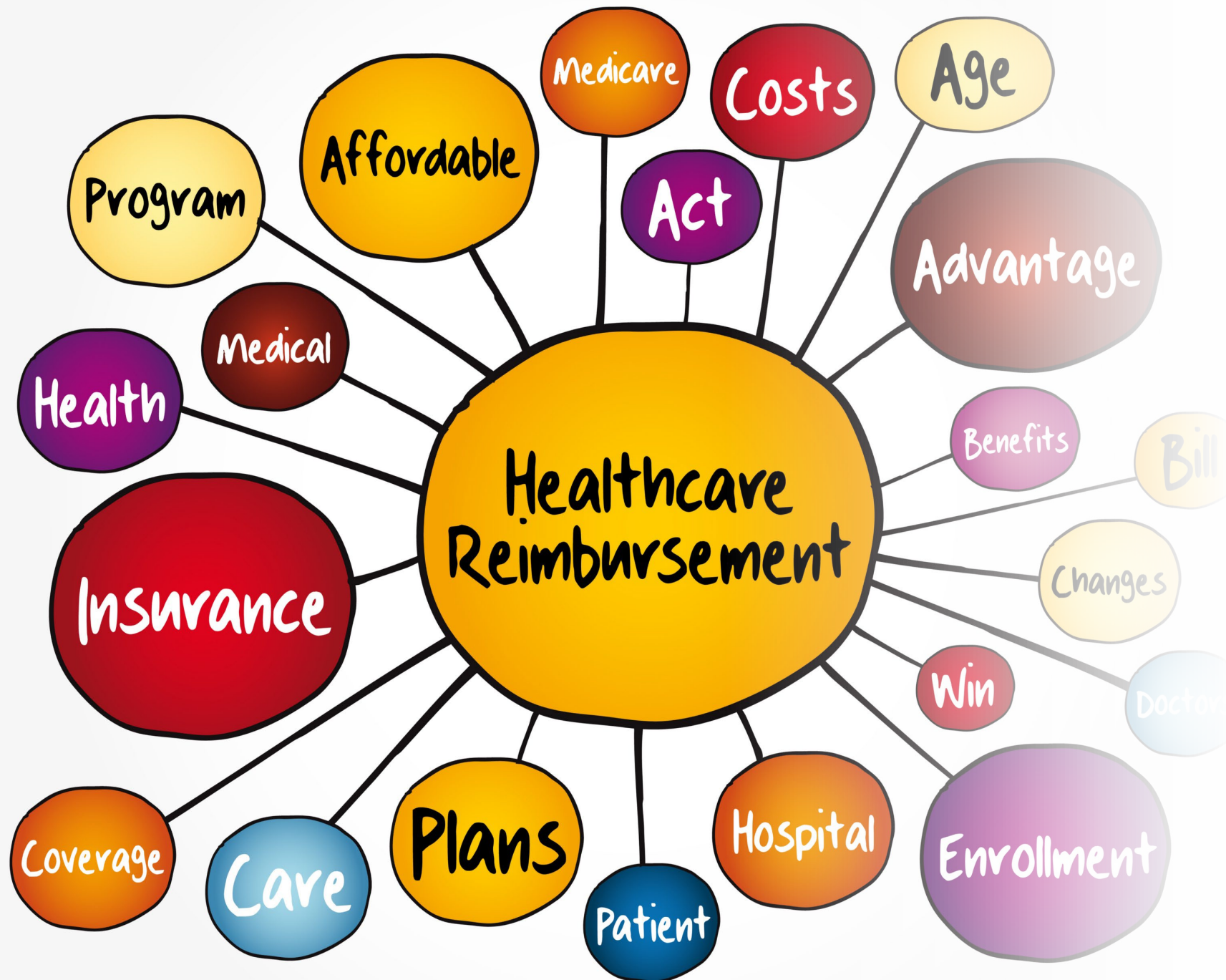


Ambulance Association of Orange County (AAOC)

Current Member Companies

- Care Ambulance / Falck Mobile Health Corp.
- Doctor's Ambulance Service
- Emergency Ambulance Service
- Premier Ambulance Service
- PRN Ambulance
- Shoreline Ambulance





No sane person would ever intentionally design our current healthcare reimbursement methodology, but it is our current system...

Today's Discussion

- Review of ambulance billing practices and Orange County Ambulance Ordinance
- Adjusting ambulance rates to cover increases in minimum wage laws
EMT demands for higher salaries and soaring fuel prices
- Request to amend policy and seek increase in approved ambulance rates

Introduction

- Historically, Orange County's regulated 9-1-1 rates have been set well below other local and state-wide ambulance charges.
- This has provided an artificial subsidy for commercial insurance carriers and contributed to the lower wages paid to Orange County EMTs by both private ambulance companies and public fire agencies.
- Recent news article about California paying less than almost every state for ambulances to transport MediCaid patients, Shelly Hudelson, spokesperson for the International Association of EMTs and Paramedics said, "With a starting salary of \$15 to \$17 for EMTs, they're leaving in droves for fast-food jobs".
- Today, following the effects of COVID, EMTs are demanding a higher wage.
- Regulated ambulance rates need to be adjusted to meet this new demand.



Understanding the Complexity of Ambulance Billing

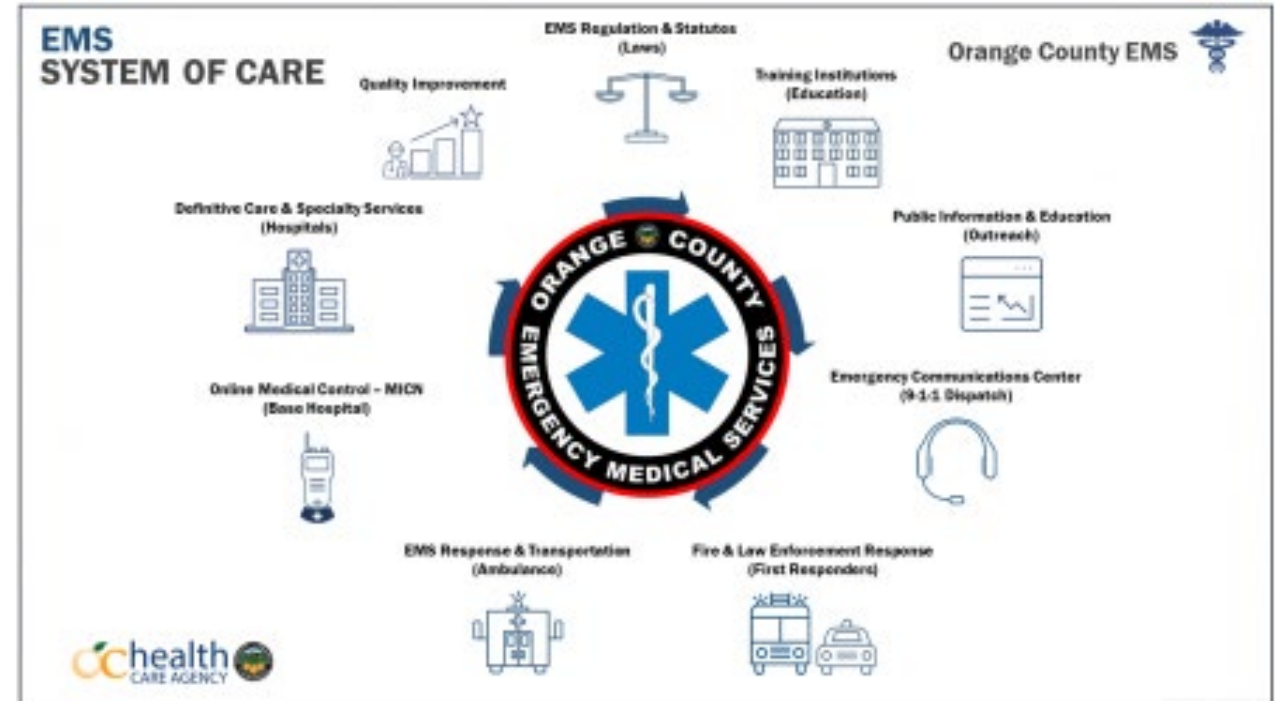


Who Sets the Rules for Ambulance Billing?

- Federal Level – Center for Medicare and Medicaid Services (CMS), Commonly known as MediCare
- State Level – Medi-Cal, CalOptima, or other governmental managed care programs found in California Code of Regulations – Title 22
- Commercial Insurance Carriers – Trend is to follow Medicare / CMS standards, rules and procedures but can make up own rules

Orange County Specific Regulations

- Ambulance Ordinance #3517 – Adopted April 1985, Establishing requirements for operations of ambulances in Orange County
- Ambulance Ordinance requires Orange County Board of Supervisors to set ambulance rates



Who is Covered Under the Ambulance Ordinance?

- Only private ambulance companies providing emergency (9-1-1) ambulance transport services
- Current contracted 9-1-1 providers are: Care Ambulance / Falck Mobile Health Corp., Emergency Ambulance and Doctor's Ambulance but recently many ambulance companies have provided back-up 9-1-1 services, including Premier Ambulance, Shoreline Ambulance, Lifeline Ambulance and American Med Ambulance
- Many private companies also index their I.F.T. rates to the established County rates but this is not required
- Does not apply to fire or city operated ambulance services

Current Approved OC EMS BLS Rate

Emergency (9-1-1) BLS Base Rate	\$1,290.15
Mileage, per mile	\$19.05
Oxygen	\$93.40
Standby, per 15 minutes	\$45.75
Expendable Medical Supplies	\$36.87

OC Fire Departments – BLS Ambulance

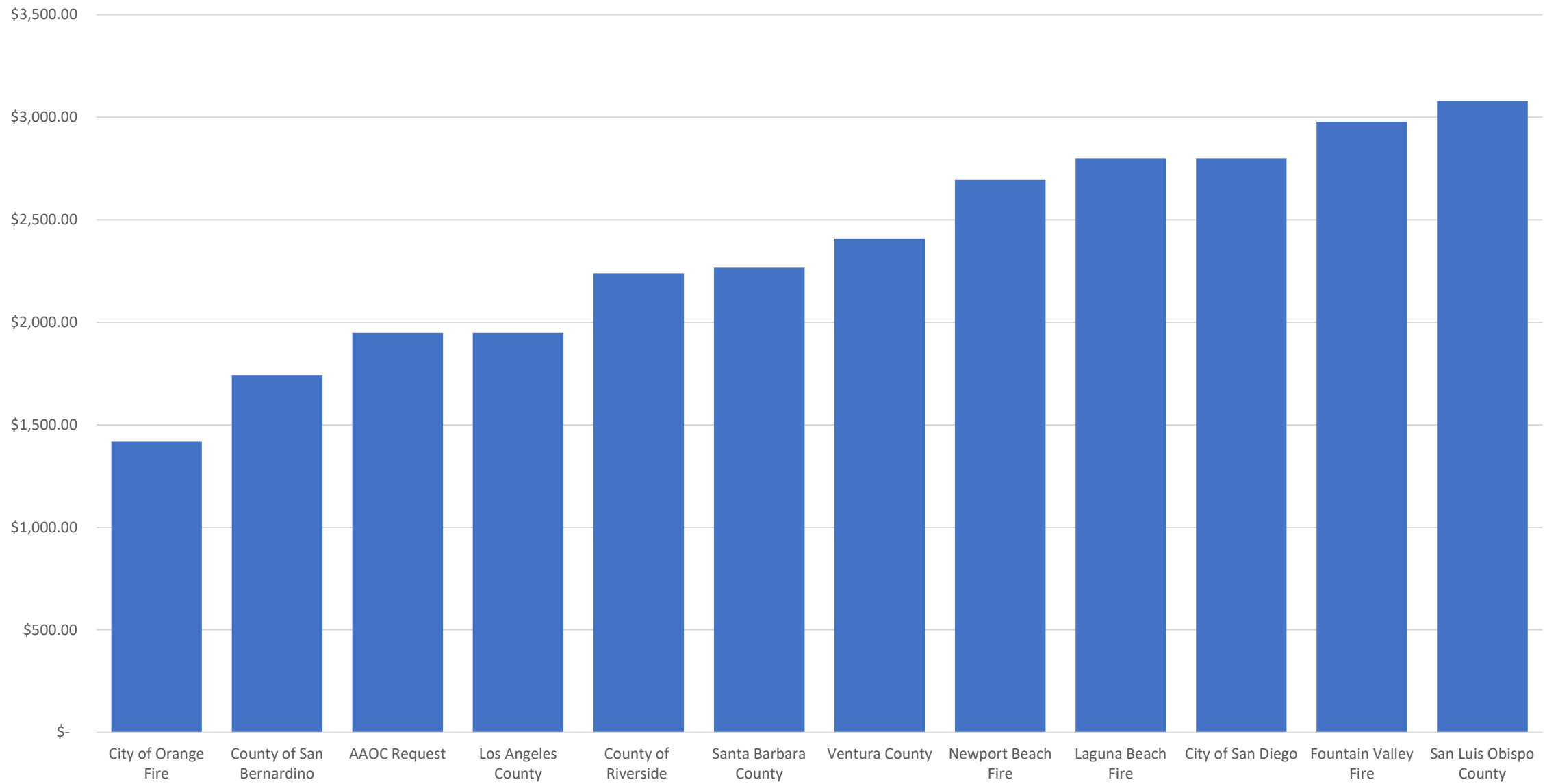
- Newport Beach
\$2,694.96
- City of Orange
\$1,418.84
- Fountain Valley
\$2,977.65
- Laguna Beach
\$2,800.00



OC Ambulance Rate Adjustment

The AAOC is requesting a one-time adjustment of ambulance rates to index to the LA County General Public Ambulance Rates, with the consolidation of Expendable Medical Supplies and Oxygen into the BLS Base Rate;

BLS Base Rate (and expendable medical supplies included)	\$1,948
Mileage, per mile	\$23.00
Standby Time, for each 15 mins.	\$68.50



Who Actually Pays for Ambulance Services?

- Medi-Cal, CalOptima and Governmental Managed Care programs, reimbursement is set by State of CA and CA Code of Regulations. Average Payment is \$126 with remaining balance dismissed / written off.
- Medicare and Senior HMO, reimbursement is set by CMS / Medicare. CMS pays 80% of allowable FFS charges and Senior HMO, HMO typically pays all of the allowable charges, less any required co-pay or deductible. Average payment is \$379 with remaining balance dismissed / written off.
- Commercial Insurance – Paid, less any plan required co-pay or deductible or non-covered charges.



Who Will Pay This Increase?

- Commercial insurance companies that already pay much higher transport fees in other Counties and other Orange County Cities. Nationally, ambulance companies represent less than **1%** of insurance spending.
- This cost shift is by Federal design.
- By not billing at the higher rates, you are forcing your emergency (9-1-1) ambulance providers to subsidize these commercial insurance companies.
- Increase is NOT paid by any MediCare, MediCal or CalOptima patient.
- “America’s way of paying for healthcare is already heartless. Twenty-five percent of the citizens of the richest country in the world have medical debt. This is not a problem we can solve locally but as one of the most fortunate communities in America we should be ashamed to add to it.”

Laguna Beach Fire Chief Mike Garcia

Request and Conclusion

- Index regulated emergency (9-1-1) ambulance rates to the July 2022 rates for County of Los Angeles General Public Ambulance Rates
- Adopt MediCare standard and consolidate BLS Base Rate, Disposable Medical Supplies and Oxygen into BLS Base Rate **\$1,948**
- Mileage, per mile **\$23.00**
- Waiting Time, per 15 mins **\$68.50**
- **Desired Outcome is increased EMT wages and reduction of patient complaints for charges not authorized by MediCare and other insurance carriers.**





February 15, 2022

Tamara McConnell, RN – EMS Administrator
Orange County EMS Agency
405 W. Fifth Street, Suite 301 A
Santa Ana, CA 92701

Re: Ambulance Rate Adjustment

Dear Ms. McConnell:

Historically, regulated 9-1-1 emergency ambulance rates in Orange County have been established well below the local and state-wide averages, thus providing an artificial subsidy for medical insurance carriers, and contributing to lower wages for Orange County EMTs.

Today, across California and for that matter, the United States, EMS is experiencing a labor shortage. This labor shortage has been driven by the ongoing pandemic, a lack of affordable and accessible childcare, difficulty matching workers with the right employers and the need for better pay and working conditions. Outside the EMS industry, many businesses have found attracting workers much easier after increasing wages and improving conditions.

In the new economic reality created by COVID-19, \$20.00 an hour is quickly becoming the minimum expectation for workers, especially for those in undesirable and even dangerous front-line jobs. Fast food workers in Orange County are now experiencing starting wages of \$16 to \$20 per hour. Since the start of the COVID-19 recovery in January 2021, average wages have been increasing across all industries, but the same is not true in EMS, where ambulance rates are tightly controlled.

EMS is several years into a retention and recruitment crisis that pre-dates the COVID-19 pandemic. Several factors have contributed to the crisis, such as inadequate reimbursement, and low community support. One of the rallying cries to move the EMS industry forward has been that EMTs and paramedics need to be paid a living wage.

A living wage, according to the MIT Living Wage Calculator, is the local wage rate that allows residents to meet minimum standards of living. The calculator adjusts for regional cost of living differences and can be searched by state and county. The living wage in Orange County, California for a single adult with no children is \$22.44/hour. To meet the minimum standards of living in Orange County as a single adult with one child is \$45.36/hour. This is just the standard for a living wage, while a thriving wage allows an employee to pay for daily expenses of shelter, food, utilities, transportation, childcare, build up an emergency fund for unexpected financial emergencies, contribute to a retirement account, save for a future home purchase, and have enough left over to have some fun on their time off. Of the 58 California Counties, only six (6) Counties (Marin, San Francisco, San Mateo, Santa Barbara, Santa Clara, and Santa Cruz) have a higher living wage requirement than Orange County.

Complicating the regulated 9-1-1 emergency ambulance rate issue are the changes that have been made by MediCare, MediCal and private health insurance carriers. Previously approved line-item charges for oxygen and expendable medical supplies have been consolidated into the ambulance base rate, thereby reducing ambulance and fire agency medical supply reimbursements. State of California, MediCal rates have not increased in 23 years negatively impacting both BLS and ALS providers.

All three of these issues (low EMT wages, changes to reimbursement and OC EMS Agency cost increases) identify the need for a one-time adjustment to the Orange County approved Maximum Ground Ambulance Rates. While critics are quick to argue that an approved increase to the maximum ground ambulance rates will be passed into vulnerable MediCare and MediCal patients, this is not accurate as both MediCare and MediCal patients are protected from ambulance rate increases by both federal and state statutes.

The Ambulance Association of Orange County (AAOC) is requesting a one-time adjustment of approved ambulance rates to match the LA County General Public Ambulance Rates and the consolidation of oxygen and medical supply charges into the BLS Base Rate.

Requested rate and structure below:

Type of Charge	Basis for Charge	Approved Rate
Emergency BLS Base Rate	Applicable for urgent of Code 3 response at the request of a public safety employee	\$1,832.27
Mileage	Per patient mile or fraction thereof	\$19.05
Standby	Per 15 minutes, after the first 15 minutes and any fraction thereof	\$129.00

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The proposed BLS Base rate represents an approximate 32% increase in BLS rates, while simultaneously consolidating line-item charges for oxygen and expendable medical supplies.

The proposed new rate is significantly lower than the ambulance rate recently approved by the Laguna Beach City Council. In comparison to surrounding Counties, the proposed rates are significantly lower than the new rates utilized in the City of San Diego with their new ambulance contractor and slightly lower for approved BLS rates in Riverside and San Bernardino Counties.

Emergency (9-1-1) ambulance services in Orange County, provided under contract with the County of Orange are provided without a government subsidy. Not a single dollar of Orange County collected tax dollars are used to fund ambulance services providing essential emergency ambulance services to the Orange County EOA contracts. Ambulance services to these contracts are all funded only through fee for service billings, meaning the user or their insurance company is billed for the service.

This fee increase will not affect MediCare or MediCal users. Unfortunately, MediCare and MediCal reimbursements are intentionally set below the cost of providing services. This one-time rate adjustment is needed to ensure the proper delivery of emergency (9-1-1) services in Orange County and to help solve an EMT recruitment and retention challenge.

Sincerely



Chad Druten
AAOC President

Ambulance Association of Orange County

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