

**Emergency Medical Services CY 2016 Fee Study
Executive Summary – EMCC October 7, 2016**

In 1982, the Board of Supervisors designated the Health Care Agency (HCA) as the County Emergency Medical Services (EMS) Agency, pursuant to California Health and Safety Code Section 1797.200. The Code mandates EMS system responsibilities & also permits counties to offset or recover all or a portion of their costs. The concept of fully recovering costs and the frequency of fee studies are outlined within the County Accounting Manual. As such, each county agency is responsible for the management of its revenue and attaining full cost recovery by updating existing revenue rates with assistance of the Auditor Controller.

The fee study analyzed the services provided by the EMS Division to determine their specific cost. EMS staff determined the associated workloads based on the type of service and number of hours spent by staff. The total EMS Division cost was divided by direct hours (fee related & non-fee related) to determine a comprehensive hourly rate for the Division. The use of this method assumes that indirect costs are proportionately rolled into the fees. This hourly rate was then applied to the time value for each individual fee category, to arrive at full cost recovery fees.

A fee adjustment is necessary to address increased operational costs related to shifts in responsibilities from state to county, as well as major system enhancements to improve patient care such as Trauma, Cardiac, Stroke, Pediatric specialty center designations; monitoring of Interfacility Paramedic transports; and integration of OC-MEDS. A survey of similar local EMS agencies was conducted to compare fee structure and included the following LEMSAs: Inland Counties, Los Angeles, Riverside, San Diego, Santa Clara and Ventura (attachment). OC proposed fees are within or below the 6-LEMSA range.

As a result of the updated fee calculations, seven are increasing to attain full cost recovery, two continue to be set below full cost recovery & one is being deleted. There are nine new fees recommended for those subsidies that have been ongoing but for which there have been no service fees. A multi-year fee update is proposed that includes an annual adjustment, after the initial three years, based on changes to CPI not to exceed actual cost. The Auditor-Controller will perform a cost recovery analysis every three years and Health Care Agency will adjust the fee schedule based upon the Auditor-Controller's determination of actual costs.

The proposed fees will be presented to the Emergency Medical Care Committee (EMCC) on October 7, 2016. EMS will request a letter of support from the EMCC & schedule a public hearing on November 22, 2016 for Orange County Board of Supervisors consideration.

Current & Proposed Fees

Ambulance Company License (Annual) – Updated to recover costs to review and approve ambulance company (ground and air) applications and conduct ongoing monitoring of compliance with local regulations.

Ambulance Company Unit Inspection/Vehicle (Annual) – Updated to recover costs to inspect individual (ground and air) vehicles for compliance with local regulations.

Ambulance Company Unit Re-Inspection/Vehicle (Hourly) – Updated to recover costs to re-inspect individual (ground and air) vehicles that have undergone an initial inspection with identified deficiencies for corrective action and follow-up; verifying compliance with local regulations.

Ambulance Driver/Attendant License (also known as EMT OC Accreditation) (Biennial) – Updated to recover costs to review applications for EMTs affiliated with an OCEMS provider; verifying eligibility and competency of EMTs to practice an expanded scope of practice to ensure medical quality assurance. The license period is for a maximum of two (2) years from the date of successful completion of license requirements and application. The license expiration date shall not exceed the individual's EMT certification expiration date.

EMT OC Certification (formerly known as EMT-1 Certification) – Updated to recover costs to review individual applications and certify EMTs on behalf of the state. In addition to an updated fee amount this fee requires a title change to accommodate AB 2917 and clarify that this fee only supports the EMS Division and does not include the “pass-through” fees that the EMS Division collects on the state's behalf. AB 2917 is a bill signed by the Governor in 2008 to create a statewide standard for background checks for emergency medical technicians (EMT) and to establish a central EMT and paramedic registry, effective 7/1/2010. In addition, formalize the discontinuation of the fee waiver when applicants concurrently process the Ambulance Driver/Attendant License.

10/7/16 EMCC Agenda Attachment #8
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Current & Proposed Fees, cont'd.

Card Replacement (formerly known as EMT Lost Card Replacement) (Variable) – Updated to better reflect the nature of this fee, which is for any card replacement, including lost, stolen, damaged cards or cards reissued due to name change.

Paramedic OC Accreditation (formerly known as EMT-P Accreditation)– Updated recover costs to review applications for public (9-1-1) and specialty (i.e. air medical, IFT-ALS, tactical) Paramedics; verifying eligibility and accrediting Paramedics affiliated with an OCEMS approved provider to practice within a locally approved scope of practice.

Mobile Intensive Care Nurse Certification (Biennial) - Updated to recover the costs of developing and approving MICN course curriculum; conducting examination; verifying eligibility and authorizing Registered Nurses employed in Base Hospitals to conduct online medical control.

Trauma Receiving Center (Triennial) - Updated to recover the American College of Surgeons (ACS) Verification Team site visit cost generally conducted every three years as well as the cost of ongoing oversight and monitoring of trauma system to ensure medical accountability.

Continuing Education Provider (*new*) (Every 4 years) – Proposed to recover costs to review and approve applications from individuals and businesses that teach EMS related courses and issue EMS continuing education units (as defined in CCR, Title XXII, Division 9, Chapter 11) and conduct ongoing monitoring of provider program to ensure medical quality assurance.

EMT Training Program (*new*) (Every 4years) – Proposed to recover costs to review and approve applications from individuals and businesses that teach an EMT Training Program (as defined in CCR, Title XXII, Division 9, Chapter 4) and conduct ongoing monitoring of provider program to ensure medical quality assurance.

Paramedic Training Program (*new*) (Every 4 years) – Proposed to recover costs to review and approve applications from individuals, businesses and educational institutions that teach a Paramedic Training Program (as defined in CCR, Title XXII, Division 9, Chapter 4) and conduct ongoing monitoring of program to ensure medical quality assurance.

Interfacility Transport Service Provider (*new*) (Annual) – Proposed to recover costs to review and approve ambulance provider applications to transport patients between facilities by private paramedics and conduct ongoing monitoring of quality and performance standards to ensure medical accountability.

Emergency Receiving Center Designation (*new*) (Annual) - Proposed to recover costs of a comprehensive designation process and site visit conducted every three years as well as the cost of ongoing oversight and monitoring of quality and performance standards to ensure medical accountability.

Pediatric Receiving Center Designation (*new*) (Annual) - Proposed to recover costs of a comprehensive designation process and site visit conducted every three years as well as the cost of ongoing oversight and monitoring of quality and performance standards to ensure medical accountability. This designation indicates an enhanced level of pediatric emergency service.

Cardiac Receiving Center Designation (*new*) (Annual) - Proposed to recover costs of a comprehensive designation process and site visit conducted every three years as well as the cost of ongoing oversight and monitoring of quality and performance standards to ensure medical accountability. The designation indicates an enhanced level of cardiovascular emergency service (especially in the early stages of heart attack & diagnosis).

Stroke/Neurology Receiving Center Designation (*new*) (Annual) - Proposed to recover costs of a comprehensive designation process and site visit conducted every three years as well as the cost of ongoing oversight and monitoring of quality and performance standards to ensure medical accountability. The designation indicates an enhanced level of stroke neurology emergency service (especially in the early stages of stroke diagnosis and treatment).

Customized Data Report (*new*) (hourly rate) – Proposed to recover costs of preparing customized reports from the EMS Division databases, requested by entities other than members of the local EMS community. All reports would be custom generated based upon criteria defined by the customer.

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Public Comment & Industry Response

On 9/7/16 OCEMS System announcement #2746 was issued advising of the Proposed EMS Fee Study & asking for public comment. As of 10/5/16 no comment was received.

Over the last two months, OCEMS met with hospital and ambulance industry stakeholders to discuss the proposed fees and fee study methodology. In general, the Ambulance Association of Orange County (AAOC) was agreeable to the majority of the fees proposed. On behalf of their member hospitals, the Hospital Association of Southern California submitted a letter opposing increases to the hospital related fees (attachment).

Proposed EMS Fees, effective CY2017

EMCC Recommended Action: *Send letter to the Orange County Board of Supervisors supporting the EMS Provider fees as proposed by the Health Care Agency.*

October 7, 2016

Title	Current Fee	Frequency	Proposed Fees		
			CY2017	CY2018	CY2019
Ambulance Company License	\$1,763	Annual	\$2,140	\$2,207	\$2,234
Ambulance Company Unit Inspection/per vehicle	\$150	Annual	\$153	\$158	\$160
Ambulance Company Unit Re-Inspection/vehicle	\$100	Hourly	\$104	\$107	\$109
Ambulance Driver/Attendant License	\$80	Biennial	\$82	\$84	\$85
Ambulance Driver/ Attendant License	\$40	Annual	DELETE		
EMT-I Certification <i>New Title: EMT OC Certification</i>	\$35	Biennial	\$60 ²	\$62 ²	\$63 ²
EMT Lost Card Replacement <i>New Title: Card Replacement</i>	\$23	Variable	\$25	\$25	\$25
EMT-P Accreditation (out of county) <i>New Title: Paramedic OC Accreditation</i>	\$62		\$69	\$72	\$73
Mobile Intensive Care Nurse Application	\$84	Biennial	\$103	\$107	\$108
Trauma Receiving Center	\$22,339	Triennial	\$8,818 ³	\$9,079 ³	\$9,185 ³
Continuing Education Provider Application ⁴		4 years	\$311	\$321	\$325
EMT Training Program Application ⁴			\$884	\$912	\$923
Paramedic Training Program Application ⁴			\$893	\$921	\$932
Interfacility Transport Service Provider Application ⁴		Annual	\$1,461	\$1,506	\$1,525
Emergency Receiving Center Designation ⁴			\$1,184	\$1,222	\$1,237
Pediatric Receiving Center Designation ⁴			\$8,716	\$8,988	\$9,098
Cardiac Receiving Center Designation ⁴			\$8,282	\$8,541	\$8,645
Stroke/Neuro Receiving Center Designation ⁴			\$9,923	\$10,233	\$10,358
Customized Data Report ⁴		Hourly	\$104	\$107	\$109

¹ License expiration shall not exceed individual's EMT certification expiration date

² Does not include State pass-through fee(s) (\$75 initial; \$37 recertification)

³ Does not include ACS & surveyor accommodation costs

³ New Fee for ongoing subsidies for which there have not been service fees

CY2016 EMS FEE PROPOSAL – COMPARISON WITH OTHER LOCAL EMS AGENCIES

Type of Fee	Frequency	Orange County		Inland Counties (Mono, Inyo & San Bernardino)	Los Angeles	Riverside	San Diego	Santa Clara	Ventura
		Current	Proposed						
Ambulance Company License	Annual	\$1,763	\$2,140	\$2,000	\$4,846.17	\$3,000	\$2,000	\$5,500	No Fee
Ambulance Vehicle Annual Permit		\$150	\$153	\$400	\$373.86	\$250	\$250	\$950	No Fee
Ambulance Driver/Attendant License		\$40	DELETE						
Ambulance Driver/Attendant License	Biennial	\$80	\$82	No Fee	No Fee	No Fee	No Fee	No Fee	No Fee
EMT Certification	Biennial	\$35	\$60	\$60	\$50	\$25	\$17	\$20	\$25
Lost Card Replacement	Variable	\$23	\$25	\$20	\$12	\$10	\$17	\$20	\$25
Paramedic Accreditation		\$62	\$69	\$100	\$125	\$75	\$17	\$150	\$71
Mobile Intensive Care Nurse Certification	Biennial	\$84	\$102	\$100-225	\$155-225	\$75	\$17	\$20	No Fee
Trauma Receiving Center Designation	Triennial	\$22,339	\$8,818 ¹	\$25,000	\$73,382	\$4000 ²	\$40,000	\$100,000	\$75,000
Continuing Education Provider	4 years	No Fee	\$308	\$500	No Fee	No Fee	No Fee	\$1,000	No Fee
EMT Training Program			\$874	\$650	No Fee	No Fee	No Fee	\$1,000	\$454
Paramedic Training Program			\$883	\$1500	No Fee	No Fee	No Fee	\$5,000	\$652
Interfacility Transport Service Provider	Annual		\$1,445	No Fee	\$4,846.17	\$6,000	\$2,000	6,000	No Fee
Emergency Receiving Center Designation			\$1,172	No Fee	No Fee	No Fee	No Fee	\$10,000	No Fee
Pediatric Receiving Center Designation			\$8,621	No Fee	No Fee	No Fee	No Fee	\$10,000	No Fee
Cardiac Receiving Center Designation			\$8,192	\$17,445	\$11,692 ³	No Fee	No Fee	\$10,000	No Fee
Stroke/Neuro Receiving Center Designation			\$9,815	\$19,045	\$7,196 ³	No Fee	No Fee	\$10,000	No Fee
Customized Data Report	Variable		\$103	No Fee	\$224-655	\$100/hour	No Fee	No Fee	\$130 ⁴

1 – ACS fees excluded

2 - Cost varies depending upon ACS Survey Costs

3 – Proposed, not yet implemented

4 – Protocol Manual



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October 6, 2016

Dr. Sam Stratton, M.D.
EMS Medical Director, Orange County EMS
405 W. Fifth Street, 3rd Floor
Santa Ana, CA 92701

RE: Proposed New EMS Fees

Dear Dr. Stratton,

Thank you for the opportunity to offer comments on the proposed Trauma Center and other facility designation fees proposed by the Orange County EMS Agency (OCEMS). HASC appreciates the Agency's professionalism and transparency in review of the fees. Based on the current level of hospital subsidy to the EMS system, and the anticipated third party accreditation/certification and survey fee increases, HASC member hospitals are unable to support the rationale for additional fees as proposed by the OCEMS Agency.

While OCEMS serves as the local designation authority, its costs are tied to validating the certification work performed by third parties including the American College of Surgeons for Trauma Centers. The Joint Commission (TJC) and Det Norske Veritas (DNV) are Centers for Medicare and Medicaid Services (CMS) deeming agencies, and also serve as the accreditors for their respective designation of primary and comprehensive Stroke-Neurology Centers. EMS designation policy largely mirrors the TJC and DNV Comprehensive criteria. The rigorous regulatory national third party process subsequently renders OCEMS as the validator rather than the primary surveyor. The duplicative system of third party certification and local designation distinguishes Orange County as having the highest quality patient standards, while lowering OCEMS costs.

In addition to the fees paid to third party accreditation/certification entities, hospitals electing to become specialty centers make significant financial investments to maintain designation status. Any additional fees add to the cost of health care delivery. Orange County has 14 Cardiovascular Receiving Centers, 9 Stroke-Neurology Receiving Centers and 4 Trauma Receiving Centers.

Six of the 24 hospitals with Emergency Rooms (ERs) voluntarily serve as "Base" hospitals, whereby they coordinate the destinations for ALS pre-hospital transports. Per OCEMS Policy 610, Base Hospitals are required to provide 24/7 dedicated nurse and physician coverage which is excluded from the required nurse-patient ratios. The cost to serve as a Base is approximately \$250,000, excluding the Medical Director and ER

physician costs. For example, St. Jude Medical Center serves as the only Base in North County and has 11 trained nurses and 2 administrative staff. St. Jude Medical Center is one of six Base Hospitals.

The current level of County subsidy for the entire EMS system is approximately \$950,000, of which \$245,000 is attributable to hospitals. Conversely, Base Hospital coverage equates to a \$1.5M private subsidy to the EMS system. If OCEMS provided Base service for just three regions of the County, its minimum cost would be approximately \$750,000, excluding physician coverage. In a private delivery care model, allowing six Base hospitals to share geographic coverage is a tremendous benefit to the patients.

Again, the HASC member hospitals are unable to support any OCEMS designation fees in recognition of the current level of subsidy and third party fees already paid for quality designations. While HASC members recognize the need for OCEMS designation, there are a number of ways in which OCEMS could streamline the designation process to reduce costs and regulatory impacts on the hospitals that make these significant investments for specialty designations.

The hospitals have enjoyed the collaborative and supportive spirit of OCEMS and look forward to continuing dialogue around quality improvement and specialty facility designation. If I may be of assistance, please do not hesitate to contact me at (714) 663-0294.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Ayers", written in a cursive style.

Whitney Ayers
Orange County Regional Vice President
HASC

CC: EMCC
Board of Supervisors
Hospital CEOs