

Ambulance Rate History
Prepared for Emergency Medical Care Committee
October 14, 2022

AUTHORITY

As specified in Division 9, Title 4, of the Codified Ordinances of the County of Orange (Ambulance Ordinance 3517), the Board of Supervisors establishes the maximum Basic Life Support (BLS) emergency ground ambulance rates applicable within the County's unincorporated area and cities that have agreed with the Ordinance for the provision of licensing and regulation of ambulance services. Ordinance 3517 also establishes the authority to adjust the maximum Advanced Life Support (ALS) Paramedic Assessment and Transport rate applicable for Orange County Fire Authority's (OCFA) jurisdictional areas, with the exception of three cities that establish their own ALS rate.

On August 8, 2017, the Board approved via Resolution No. 17-000784 a one-time increase of \$11.65 for the use of disposable supplies. In addition, the Board changed the methodology to use the effects of minimum wage increases to the emergency base rate and the increase/decrease in CPI for all other rates. At that time, the Orange County Fire Authority had declined to request an increase to the ALS Paramedic Assessment and Transport. Subsequent increases to the BLS emergency base rate from 2017-2022 were based on the effects of minimum wage increases and the annual percentage change in the annual Los Angeles-Riverside-Orange County "all items" Consumer Price Index (CPI). The Resolution also recommended that the Health Care Agency may seek Board approval of any adjustment to the maximum rates.

ORDINANCE HISTORY 1980 - 1985

The current Ambulance Ordinance 3517 primarily regulates the operation of ambulances within the unincorporated areas of Orange County and those member cities of OCFA. However, most non-member cities have adopted or minimally edited 3517 and integrated the same language into their city codes. Decades ago, there were two ambulance Ordinances 3022 & 3138. Ordinance 3022 established that ambulance licensees were not permitted to charge more or less than the rates set by the County for ambulance and convalescent services.

In the early 1980's, Ordinance 3517 was drafted at the direction of the Board by the Health Care Agency (HCA) and the Orange County Fire Department in conjunction with County Counsel based on the following principles:

- De-regulation of Non-Emergency Ambulance Services
 - The Ordinance accomplished this by requiring specific response areas in regard to emergency situations only. All other forms of ambulance transportation were not restricted & allowed for ambulance providers to solicit non-emergency business in any of the areas governed by the Ordinance.
- Setting Maximum Rates for Ambulance Responses
 - The partial de-regulation of ambulance services eliminated the [then] current pricing structure for emergency and non-emergency transfer responses. The resultant policy was designed to encourage competition among providers without County intervention by establishing only a maximum rate for public safety dispatched transports.
- Development of an Objective Competitive Mechanism Whereby Contracts for Emergency Response Areas may be Awarded
 - This was achieved through language in the Ordinance requiring a Request for Proposals (RFP) bid system.

Section 4-9-13 of the Ordinance specifies that no ambulance licensee shall charge more than those rates approved by the Board for emergency ambulance services. Since one of the guiding principles in drafting the Ordinance was to deregulate to the extent feasible, the Ordinance was written to set a maximum allowable rate for

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emergency transportation only, allowing competitive prices for the minimum rates. A national index was used to establish the rate. Of note, the Ordinance does not make reference to whether emergency ambulance service is BLS, ALS or both services.

On 4/30/85 the Board passed and adopted Ordinance 3517 (repealing 3022 & 3138) and currently remains in effect. In short, the intent of Ordinance 3517 was to establish general operating procedures and standards for medical transportation services operating within the unincorporated areas of the County in both emergency and other situations; provide a fair & impartial means of allowing responsible private operators to provide such services in the public interest; provide a means for the designation of emergency response areas; and establish maximum rates for public safety dispatched transports.

RATE SETTING METHODOLOGIES 1987 - 2017

6/16/87: Board approved a rate increase for ambulance providers after an application was submitted & evaluated through HCA.

8/8/89: Board approved a rate increase for ambulance providers after an application was submitted & evaluated through HCA. The Board was advised that using a national index to measure the cost of overhead & labor did not fairly represent the cost to the ambulance companies. At that time HCA stated that it would begin utilizing the medical & transportation Consumer Price Index (CPI) values gathered from the greater Los Angeles area as well as other appropriate factors. The resultant rates: base rate \$150; emergency response \$40; Night Call \$30; Mileage \$8; Oxygen \$30; Standby \$22; Supplies \$10.

1989-2001: Relatively small adjustments with an important distinction in that the emergency response charge was combined with the base rate in 1991 & the night call was combined in 1994.

2000: Ambulance Association of Orange County (AAOC) reported that the service quality was affected by uncollectible bills & fixed Medicare, Medical & Indigent rates that did not cover costs; diminished revenues & increased costs. AAOC requested OCEMS to approve a one-time rate increase to bring the maximum rate into the median range of California counties and to develop a process to ensure that rate adjustments were fair. This proposal (a 43% increase over the then current base rate of \$220) was approved by the BOS on 6/19/01 and in order to ensure that emergency ambulance service continued to be financially viable and to prevent large increase requests in the future, OCEMS policy/Ambulance Rules & Regulations were revised to provide an annual review & possible rate adjustment by the Board.

7/16/02: Board approved an annual adjustment of base rate based on the median rates in effect for San Bernardino, LA Counties & the City of San Diego.

6/24/03; 4/27/04; 5/24/05: Board approved an annual rate adjustment utilizing the 2002 methodology.

2005: OCEMS convened a committee to review methodologies that could be employed for establishing future rate adjustments. The committee was put on hold to await a General Accounting Office (GAO) report on ambulance service costs that was anticipated by the end of 2005. The report was not issued until 2007.

6/26/06: Board approved an annual adjustment of base rate based on the 2002 methodology.

In 2007, OCEMS evaluated the GAO report released in May 2007 that examined providers' costs of ground ambulance transports (from 2004) & factors that contributed to cost differences; average Medicare ambulance payments expected under the national fee schedule in 2010; how these payments related to providers' costs per transport; and changes that occurred in Medicare beneficiaries' use of ambulance transports from 2001-2004. The GAO estimated costs were based on a national survey of 215 ambulance providers that did not share costs

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with non-ambulance services. Providers that shared costs with other institutions or services and could not report their ambulance service costs separately, such as fire departments, were excluded because their reported costs appeared unreliable.

The study, with one recommendation, had limited findings; indicated that transport costs were highly variable & dependent on several factors including volume of transports, service area (urban vs. rural) and local tax revenues, etc. Nationally, the average cost per transport was reported to be \$415 (95% confidence interval \$381-\$450). The urban costs were lower at \$370 (95% CI \$326-\$414) due to efficiencies of scale & volume. The sole recommendation: continue to monitor utilization of ambulance transports.

Accordingly, OCEMS surveyed all of the Local EMS agencies throughout California for their rates & rate setting procedures. Responses varied but most counties tied rates to one of the Consumer Price Indices (CPI). The majority utilized the US Dept. of Labor CPI to make adjustments; some based increases on the Medical Care Index & others a combination of the Medical Care and Transportation Indices. Along with this information, the Board was presented with seven options to consider for determining the rate and process.

On 10/16/07, the Board approved an annual methodology for setting maximum ambulance rates: The annual change in the LA-Riverside-Orange County “all items” CPI multiplied by 150% to the nearest \$0.25. The multiplier was added to compensate for the cost-shifting of un/under-funded patients. Following this, rate adjustments were sporadically applied in order to explore alternate methodologies or not made due to unstable economic factors.

On 6/17/08, the Board approved an annual rate adjustment utilizing the 2007 methodology.

On 12/13/11, the Board approved an annual rate adjustment utilizing the LA-Riverside-Orange County “all items” CPI (without the multiplier).

On 7/24/12, and 9/10/13, the Board approved an annual rate adjustment utilizing the 2011 methodology.

On 10/27/15, the Board approved a one-time increase of \$173.20 to the Basic Life Support base rate only.

On 8/8/17, the Board approved a one-time increase of \$11.65 for the use of disposable supplies. In addition, the Board changed the methodology to use the effects of minimum wage increases to the emergency base rate and the increase/decrease in CPI for all other rates. Furthermore, subsequent increases to the BLS emergency base rate are based on the effects of minimum wage increases. Any changes in methodology would require approval by the Board. The Orange County Fire Authority had declined to request an increase to the ALS Paramedic Assessment and Transport at the time.

On 7/1/18, 7/1/19, 7/1/20, and 7/1/21, OCEMS updated the ambulance rates using the methodology approved by the Board on 8/8/17.

ADVANCED LIFE SUPPORT FEE

In 1998, the Board authorized OCFA to issue a Request for Proposal (RFP) for ambulance services in the unincorporated areas, including the collection of Advanced Life Support (ALS) charges and reimbursement for paramedic accompanied patients. The fee was established as a means to reimburse OCFA for its ALS services and was based on partial recovery of the incremental costs of the OCFA paramedic program and included a factor for collection and processing costs incurred by ambulance companies. The fee remains applicable to all of the OCFA jurisdictional areas, with the exception of San Clemente, Buena Park and Westminster which establish their own ALS rates.

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In 2004, the Board approved an OCFA ALS rate adjustment equal to the BLS rate for emergency transports. In 2004 and 2017, the Board directed the Health Care Agency to return annually to adjust the fee by the same percentage as the BLS rate, provided that the resulting rate did not exceed the actual costs of OCFA ALS service.

AAOC PROPOSAL – FEBRUARY 2022

On February 15, 2022, the Ambulance Association of Orange County (AAOC) requested an ambulance rate adjustment to match the Los Angeles County General Public Ambulance Rates which consolidates the rates for oxygen and medical supply charges into the Basic Life Support (BLS) Base Rate. The AAOC presented this request at the April 6, 2022 Transportation Advisory Committee and to the April 8, 2022 Emergency Medical Care Committee.

The primary drivers behind this proposal include but are not limited to a longstanding EMS retention and recruitment challenge, difficulty-matching workers with the right employers and the need for better pay and working conditions. Of significance, the proposed increase in base rate will include charges for oxygen and Medicare, Medi-Cal and private insurance carriers to be listed as separate line-item charges, no longer allows expendable medical supplies as those charges. The proposed increase will NOT be passed onto the Medicare and Medi-Cal patients.

PUBLIC COMMENTS - AUGUST/SEPTEMBER 2022

On August 16, 2022, Orange County EMS released a memorandum notifying the public of the proposed adjustment to the maximum allowable 9-1-1 emergency ambulances rates for Basic Life Support (BLS) services chargeable to a patient transported at the request of public safety personnel. The 2022 Proposed Ground Emergency Ambulance Service Rates Adjustment was posted for a 50-day public comment review period (August 18, 2022 through 3:00 pm on September 30, 2022). The following comments were received:

Ambulance Service Provider
In favor of the increase. Thank you.
Private Citizen
Huntington Beach: Please don't raise the rates!! People can not afford nearly 2k for a ride to the hospital!!
General Public: Highway robbery!!! Our household does NOT approve of this rate hike!
Ambulance Association of Orange County
These comments are offered on behalf of the Ambulance Association of Orange County (AAOC), which is the local trade group comprised of private ambulance providers in the County, two of which service all the 911 Emergency Ambulance Response, Transportation and Related Services (EATS) Contracts and most of the County's designated exclusive and non-exclusive operating areas.
We are writing in SUPPORT of the Proposed Ground Emergency Ambulance Rate Adjustments.
They are sorely needed and will be welcomed as they will help our members to address what they see as a new economic reality created by the COVID-19 pandemic, and that is workers demanding a higher starting wage.
They will also assist providers with addressing an ongoing recruitment and retention crisis, as the increase will make it easier for ambulance operators to pay more competitive wages.
Our members do not take asking for an increase lightly. However, with operating costs (particularly labor) continuing to increase, this is the best option to ensure the EMS services Orange County residents expect & rely on.
OCFA (attached letter)

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ORANGE COUNTY CITY AMBULANCE AREA RATES

Ambulance Area	Annual	1 st Responder Fee	BLS Assessment	ALS Assessment	BLS Transport	BLS Assessment & Transport
Anaheim	\$43		\$399	\$399	\$1381.75	\$1780.75
Brea			\$717	\$380	\$1381.75	\$2098.75
Buena Park	\$45	\$300		\$387	\$1381.75	\$1681.75
Costa Mesa			\$275	\$300	\$1381.75	\$1656.75
Fountain Valley	\$60		\$300	\$350	\$1381.75	\$1681.75
Fullerton	\$46	\$275	\$550		\$1381.75	\$2206.75
Garden Grove	***	\$350	\$19	\$350	\$1381.75	\$1750.75
Huntington Beach	\$60		\$350	\$450	\$1381.75	\$1731.75
La Habra	\$48			\$260	\$1381.75	\$1381.75
Laguna Beach				\$387	\$1381.75	\$1381.75
Newport Beach	\$60		\$300	\$400	\$1381.75	\$1786.75
Orange	\$60		\$405	\$508	\$1381.75	\$1681.75
San Clemente	\$40			\$387	\$1381.75	\$1381.75
Santa Ana	\$55.65		\$292.29	\$467.66	\$654.49	\$946.78
Westminster	\$42			\$387	\$1381.75	
Orange County CURRENT ¹				\$387.35		\$1516.97
Orange County-PROPOSED ¹						\$1832.27

¹ Includes Base Rate, Oxygen & Expendable Medical Supplies

Annual Subscription	Voluntary subscription ¹ service fee, usually paid monthly via utility bill; waives multiple, unlimited EMS responses charges. Citizens who pay subscriber fees do not have to pay the difference between what their insurance covers & what the city charges & the BLS/ALS assessment fees are waived.
BLS assessment	Patient assessment is provided at the EMT level
ALS assessment	Patient assessment is provided at the Paramedic level
Provider	Licensed Ambulance Company providing transport via city/county contract

TRANSPORTATION ADVISORY COMMITTEE – OCTOBER 2022

Transportation Advisory Committee endorsed the Proposed Ambulance Rate adjustment proposal on 10/5/22.

EMCC REQUESTED ACTION

Update the Maximum 9-1-1 emergency Basic Life Support Ground Ambulance Rates (per table below) effective January 1, 2023 and adjust rates annually, effective July 1, 2023 by multiplying the rates by the percentage change in the transportation portion of the Consumer Price Index for All Urban Consumers, Western Region, as compiled and reported by the Bureau of Labor Statistics for the 12-month period ending with the last day of the prior month February.

Type of Charge	Basis of Charge	PROPOSED Rates
9-1-1 Emergency BLS Base Rate	Applicable for emergency response at the request of public safety	\$1,832.27
Mileage	Per patient mile or fraction thereof	\$19.05
Standby	Per 30 minutes after the first 30 minutes of arrival to hospital and any fraction thereof	\$129.00



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

Ambulance Association of Orange County

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WWW.AAOC.NET

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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EMERGENCY MEDICAL SERVICES

August 16, 2022

To: EMS DISTRIBUTION - ALL

From: Tammi McConnell, MSN, RN
EMS Director

Subject: PUBLIC COMMENT PERIOD: Proposed Ground Emergency Ambulance Rate Adjustment

This memo is to notify the public of a proposed adjustment in the maximum allowable 9-1-1 emergency ambulance rate for Basic Life Support (BLS) services chargeable to a patient transported at the request of a public safety employee by Orange County ambulance service providers. The proposed adjustment matches the Los Angeles County General Public Ambulance Rates and consolidates the oxygen and medical supply charges into the Basic Life Support (BLS) Base Rate.

Per the ambulance ordinance, the Board has sole authority to adjust the maximum ambulance rates. Following Board Resolution 17-094, Item No. 29 automated annual adjustments were applied to account for the mandated minimum wage increases and CPI factors up to January 1, 2022. There are no longer automated adjustments scheduled.

The primary drivers behind this proposal include but are not limited to a longstanding EMS retention and recruitment challenge, difficulty-matching workers with the right employers and the need for better pay and working conditions. Of significance, the proposed increase in base rate will include charges for oxygen and Medicare, Medi-Cal and private insurance carriers to be listed as separate line-item charges, no longer allows expendable medical supplies as those charges. The proposed increase will NOT be passed onto the Medicare and Medi-Cal patients.

Type of Charge	Basis of Charge	PROPOSED Rates	CURRENT Rates
9-1-1 Emergency BLS Base Rate	Applicable for urgent response at the request of public safety	\$1,832.27	\$1,516.97 ¹
Mileage	Per patient mile or fraction thereof	\$19.05	\$19.77
Standby	Per 15 minutes, after the first 15 minutes and any fraction thereof	\$129.00	\$47.50

¹Includes Base Rate, Oxygen & Expendable Medical Supplies

EMS Distribution - ALL
PUBLIC COMMENT PERIOD

08/17/22

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The 2022 Proposed Ground Emergency Ambulance Service Rates Adjustment is posted for a 50-day public comment review period (8/18/22 to 9/30/2022 at 3:00 PM). Please review the adjustment and submit comments by [completing the public comment form](#). You may also access the comment form on your mobile device by scanning the QR code below.



Comments received prior to the meeting will be provided to the Emergency Medical Care Committee (EMCC) at the next scheduled meeting on October 14, 2022. You are welcome to attend the meeting and address this agenda item.

TM:ee:#4412



ORANGE COUNTY FIRE AUTHORITY

P. O. Box 57115, Irvine, CA 92619-7115 • 1 Fire Authority Road, Irvine, CA 92602-0125

Brian Fennessy Fire Chief

(714) 573-6000

www.ocfa.org

DATE: October 6, 2022

TO: Tammi McConnell, EMS Director, Orange County Emergency Medical Services

FROM: Rob Capobianco, Assistant Fire Chief, Orange County Fire Authority

SUBJECT: **Public Comment: Proposed Ground Emergency Ambulance Rate Adjustment**

Thank you for your August 16, 2022 notice regarding the “Public Comment Period: Proposed Ground Emergency Ambulance Rate Adjustment.” This is submitted in response to that invitation for comments.

The Orange County Fire Authority (OCFA) was holding in abeyance its public comment response to the proposed ground ambulance rate adjustment in hopes of reaching a tentative agreement on the medical supply reimbursement due to the OCFA. The positive news is that these efforts appear to be on a successful, if interim, course with a tentative agreement reached as of today, subject to final approval by the OCFA Board on October 27th, on the medical supply reimbursement rate with Emergency Ambulance Service Inc.

Unfortunately, there is no similar agreement proposed by Care/Falck Ambulance since they exercised the option to suspend the medical supply reimbursements in July of 2021. The reimbursements amount that has been held in suspense amounts to over \$1.2 million and continues to grow. Although Falck’s representatives have written directly to OCFA Board members that only a portion of the reimburseable amounts are disputed - a portion that Care/Falck has not yet identified – Care/Falck nevertheless has withheld all medical supply reimbursements (disputed and undisputed) since it unilaterally suspended those reimbursements. Since the suspension of the reimbursement, the OCFA has communicated its desire to continue discussions to reach an amicable agreement. However, since suspending the payments, Care/Falck’s position has been to delay these efforts and to demand that all discussions proceed solely through a form that lacks transparency; formal mediation.

We believe that the indefinite suspension of reimbursements to the public for the public costs of disposable medical supplies should be resolved with both ambulance service providers, and the solution understood by the County and its Board of Supervisors, before the proposed increase in the chargeable ambulance rates for BLS services are considered and approved.