



## Fire Response Cost Recovery

PRESENTED TO FINANCE COMMITTEE: JUNE 18, 2025



 With the City facing increasing costs and decreasing revenues with the goal to maintain a high level of services to the City it's more important than ever to pursue every service charge recovery available -

- The Fire Department completed an in-depth review of operations and trends associated with peer city's to develop options to enhance our revenue stream -



- Some Insurance Carriers include fire department service charge recovery clauses in their policies to help pay for costs related to fire incidents and first response -



- Our department does not have the processes or staffing levels in place to identify and pursue reimbursable claims for incidents -



### EMERGIFIRE – Emergency Response Billing

 Burleson Fire/EMS currently partners with EMERGICON for EMS billing and financial collection of payments



### EMERGIFIRE – Emergency Response Billing

- EMERGIFIRE (Division of EMERGICON) helps fire departments shift more cost burden away from tax payers by pursuing insurance reimbursements for services
- The process does move from a direct taxing model with a potential for an increase with insurance premiums



### EMERGIFIRE - Insurance Premium Impacts

- To date, there are no formal case studies that specifically isolate the effect of fire response billing on insurance premiums.
- Premiums are typically influenced by the incident itself- such as a vehicle crash, fire, or hazardous spill not the associated cost billed by the fire department.
- Premiums are based on events, not fees. Insurance underwriting looks at the overall claim (property damage, injuries, liability), and the involvement of emergency services is already factored into that risk. Whether or not the fire department bills for services, does not affect how the claim is scored.
- Fire billing is treated as a claim line-item. From the carrier's perspective, these charges are like towing, cleanup, or other post-incident services that are bundled into the overall claim cost.
- Many municipalities across Texas have successfully implemented billing for fire services
  without seeing any reported increases in resident premiums as a result. These programs have
  been operating for years, and there have been no insurers push back based on billing practices
  alone.



### EMERGIFIRE - Billing Policy

- Council has the ability to establish specific policy parameters to ensure the fire service billing program aligns with the values and expectations of the Burleson community
- Options for consideration include limiting billing strictly to insurance companies, ensuring that no individual or business would ever receive a direct bill, and prohibiting the use of third-party collections under any circumstances



### What Costs Can Be Recovered

- Motor Vehicle Incidents
- Structure Fires
- Vehicle Fires
- Equipment Fires
- Hazardous Material Incidents
- Industrial/Commercial Incidents



### Other Cities Served by EMERGIFIRE

- 1 Amherst Volunteer Fire Department
- 2 Anna Fire Department
- 3 Athens
- 4 Balch Springs Fire Department
- Bellaire Fire Department
- Bells Fire Department
- Bergheim Volunteer Fire Department
- Bonham Fire Department
- 9 Celina Fire Department
- Channing Volunteer Fire Department
- City of Fate
- City of Hawkins Volunteer Fire Department
- College Station Fire Department
- 14 Comal Co. ESD 3
- 15 Concan VFD
- Coppell Fire Department
- Crowley Fire Department
- Devine Volunteer Fire Department
- Ferris Fire Department
- 20 Flatonia Fire Rescue
- Garland Fire Department
- Georgetown Fire Department

- Harrison Co ESD 3 Fire Department
- Hartley Volunteer Fire Department
- Holliday Volunteer Fire Department
- Hopkins County Fire Department
- Howe Volunteer Fire Department
- Humble Fire Rescue
- 29 Joshua Vol. Fire Department
- Keene Fire Department
- Kennedale Fire Department
- Krum Volunteer Fire Department
- La Joya
- La Marque Fire Department
- La Salle County Fire Rescue
- Lake Cities Fire Department
- League City Fire Department
- Marshall
- McKinney Fire Department
- Mims Volunteer Fire Department
- Mineral Wells Fire Department
- Mission Fire Department
- 43 Montgomery Co ESD 4
- 44 North Hood County Vol. Fire Department

- Palmview Fire Department
- Pipe Creek Volunteer Fire Department
- Quinlan Volunteer Fire Department
- Reeves Co ESD1 Fire Department
- Rendon Fire Department
- Richardson Fire Department
- Rowlett Fire Department
- Santa Fe Fire and Rescue
- Skellytown Fire Department
- Somervell Co Fire Department
- Southeast Volunteer Fire Department
- Sulphur Springs Fire Department
- Vernon Fire Department
- Victoria Fire Department
- Watauga Fire Department
- Webster
- Westlake Fire Department
- Wilmer Fire Department
- Wilson Co ESD 2
- Wolfforth Fire Department
- Yoakum Fire Department

Cities Currently In Process with an Emergifire Agreement not yet completed, permission granted by the cities for the list:

- 1 Arlington
- 2 Whitesboro

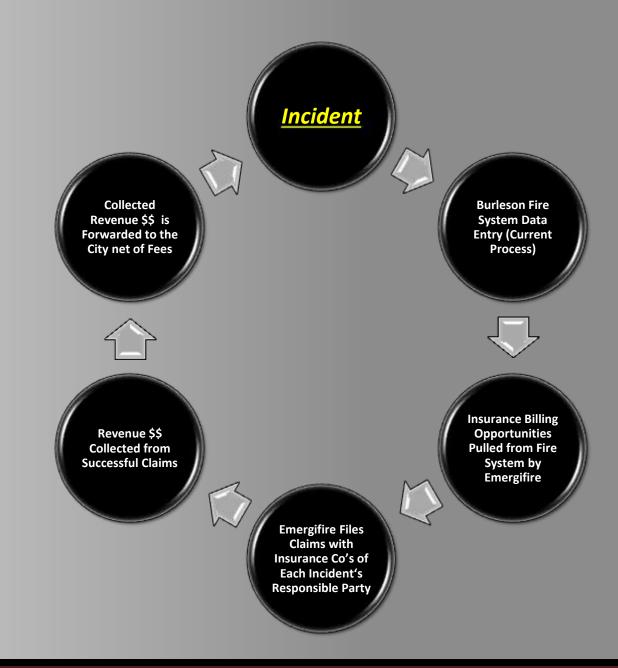
- 3 Lewisville
- 4 Grapevine

- 5 Desoto
- Farmersville

Note: North Texas City's highlighted



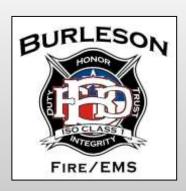
Incident to Revenue Collection Cycle





### EMERGIFIRE Specialized Services

- Promptly prepare and submit claims to the responsible party's insurance company
- Provide instructions for the submission of Required Documentation to Emergifire
- Promptly post payments made on CLIENT's behalf
- Provide monthly reports to CLIENT, which include, at a minimum, cash received and balance summary
- CLIENT shall pay Emergifire a fee equivalent to fifteen percent (15%) of all revenues collected by Emergifire on behalf of CLIENT. Credit card payments accepted by Emergifire will be charged an additional two percent (2.0%)



# **Estimated Annual Claims**

Business & Individual

Business Claims	Est. Responses per Year	Avg. Time on Scene per Incident HH:MM:SS
Business Claims	14	01:18:27
Car Fire	4	01:48:44
Grass Fire	34	00:37:34
Hazmat	20	00:33:10
Hazmat – Gas Leaks	51	00:56:37
Sub Total	123	

Individual Claims	Est. Responses per Year	Avg. Time on Scene per Incident HH:MM:SS
Car Fire	24	00:48:01
House Fire	48	01:03:57
Hazmat	32	00:22:54
MVA	446	00:55:00
Sub Total	550	

MVA = Motor Vehicle Incidents



### **Preliminary Revenue Estimates**

- EMERGIFIRE High Level Estimates
- Collectability dependent upon individual events, insurance company and timing
- Estimated ~518 Responses to be billable with ~300 potentially paid
- Annual collection projection ~\$145,000 net of service fees



### Emergifire Rate Development

- An industry-aligned fee schedule is used based on FEMA rates. Billing is based on an average base rate from the FEMA fee schedule, accounting for a four-person crew. The result is an average base rate of \$177.45 per hour for the engine, with an additional \$376.55 per hour allocated for fuel, equipment and personnel -



### **EMERGIFIRE Rates**

#### **Motor Vehicle Incident Mitigation Fee: \$602-\$838+**

Fees are based on the level of response required, ranging from basic hazardous materials assessment and scene stabilization to advanced services such as fluid cleanup, fire suppression, and specialized equipment use for vehicle and electric vehicle fires.

#### **Hazardous Materials Response Fee: \$972-\$8,199+**

Based on response level, ranging from basic engine and first responder deployment to advanced HAZMAT operations including perimeter control, evacuations, decontamination, PPE use, material recovery, and environmental cleanup. Additional on-scene time beyond 3 hours is billed at \$366 per hour, per HAZMAT team.

#### Fire Response Fee: \$554-\$693 per hour

Based on apparatus type, covering typical services such as scene safety, fire/hazard control, and investigation. Fires may also be billed individually with custom, itemized mitigation rates based on personnel and materials used.



### **EMERGIFIRE Rates**

#### Fire Investigation & Incident Command Fee: \$554-\$693 per hour

Applies to fire investigation response, incident command by Fire Marshal or Operations Chief, and illegal fire incidents. Services may include scene safety, investigation, mobile detection, source identification, K-9/arson unit deployment, and command oversight.

#### Water-Related Incident Response Fee: \$554-\$2,747+ per hour

Based on response complexity, ranging from basic engine response to hazardous material cleanup, recovery operations, and environmental disposal. Personnel charges are an additional \$68 per hour, per responder.

#### **Backcountry/Special Rescue Fee: \$554+ per incident**

Billed based on actual resources used, including apparatus, personnel, and rescue equipment. Charges begin at \$554 for the first response vehicle and \$68 per rescue person, with additional hourly rates of \$554 per vehicle and \$58 per person.

#### Natural Gas Leak Response Fee: \$523-\$932+ per hour

Based on severity and location of the leak, ranging from low-risk exterior leaks to high-risk interior incidents. Additional personnel charges apply at \$68 per hour, per responder for fire-involved or indoor responses.



### **Next Steps**

- Consider a billing policy that includes only billing insurance companies with no contact or billing inquires made to citizens in addition to never utilizing collection agencies for services performed
- Consider procurement options for a contract for billing services
- Consider an ordinance establishing and implementing a program to charge mitigation rates for the deployment of emergency and non-emergency services by the Fire Department for services rendered
- Consideration of mitigation rates associated with the aforementioned ordinance and operational activity
- Initiate public awareness/education
- Complete internal Standard Operating Procedures for the process (first bullet point)
- Target go-live January 2026



## Questions/Comments