Fire Response Cost Recovery

PRESENTED TO COUNCIL: SEPTEMBER 2, 2025

Council Feedback & Summary

- ***Finance Committee Review (June 18, 2025):*** *The Committee expressed support for the Fire Response Cost Recovery proposal and recommended advancing it to City Council.*

- ***City Council Presentation (July 21, 2025):*** *Council reviewed the proposal, provided feedback, and directed staff to proceed with a final review.*

- 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 (Contractor 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

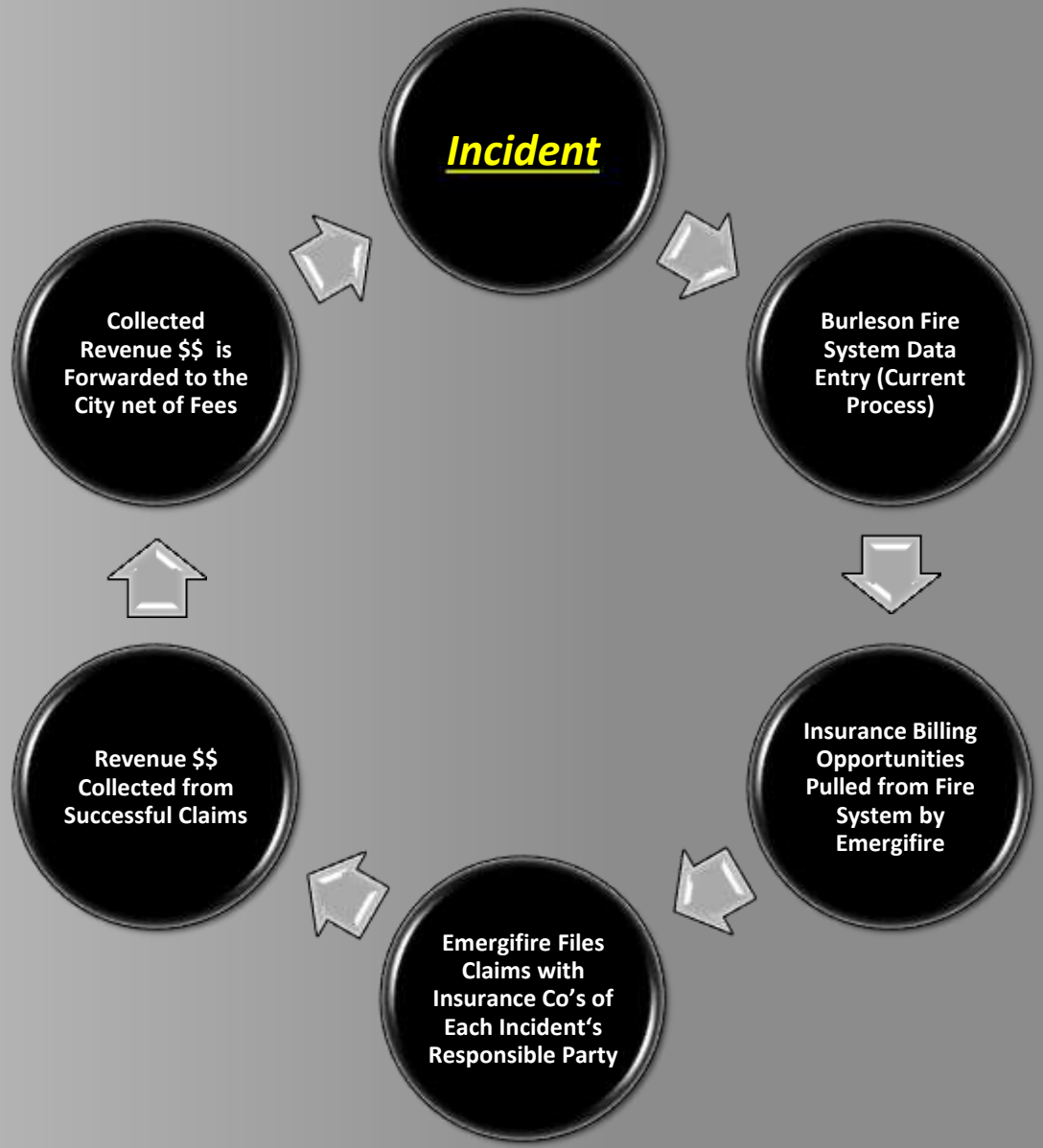
- *Council has the ability to establish specific policy parameters to ensure the fire service billing program aligns with the values and expectations of the Burleson community*

- *Options for consideration are billing for emergency and non-emergency services be directed to the responsible party's insurance provider whenever possible; allowing direct billing to businesses that specifically request it; and prohibiting the use of third-party collection practices under all circumstances.*

What Costs Can Be Recovered

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

Incident to Revenue Collection Cycle



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 -

Purpose of the Addendum

- ***Expands our existing agreement with Emergicon to include fire response billing and cost recovery services.***

- ***Services will be provided through Emergifire, a subcontractor to Emergicon, which specializes in third-party billing for both emergency and non-emergency incidents outside the scope of standard EMS billing.***

Scope of Services

- ***Preparation and submission of eligible claims.***
- ***Guidance on required documentation.***
- ***Posting of payments on our behalf.***
- ***Monthly reporting of cash received and account balances.***

Cost & Term of Service

- *Emergifire will receive 15% of all revenues collected for their service fee.*
- *An additional 2% fee applies for payments made by credit card.*
- *Term – The original five-year agreement began in December 2022 and expires in December 2026. This addendum will run concurrently with those original terms.*

Billing Policy Recommendations

- **Insurance-Only Billing**
  It is the City's intent that billing for emergency and non-emergency services be directed to the responsible party's insurance provider whenever appropriate. In situations where a business requests a direct billing, the City or it's authorized agent may issue a bill directly to the business

- **Extreme Incident Exception.**
  In cases involving hazardous materials, environmental cleanup, or other extraordinary incidents where insurance coverage is unavailable or insufficient, the City reserves the right to pursue direct billing to the responsible party, subject to City Manager approval.

- **Hard Collections Prohibition.** Emergifire shall not utilize collection methods that report unpaid balances to credit reporting agencies or otherwise engage in third-party collection practices.

Next Steps

•If Council approves tonight, the amended contract with Emergicon will authorize Emergifire to begin services in January 2026.

•On tonight's agenda are:
- •The first reading of the ordinance, and
- •A resolution establishing the City's billing policy.
- •Finance will present fee schedule

•At the next Council meeting, the ordinance will return for a second reading and final consideration.

•Upon Council approval, the City Manager's Office will execute the contract and onboarding with Emergifire will begin. The target go-live date is January 2026.

•The Communications Department will support Fire/EMS by developing a Frequently Asked Questions (FAQ) section for the City website to address citizen and business inquiries.

Council Feedback and Questions

Staff recommends approval of the amended contract with Emergicon.

Staff recommends Council approve the ordinance, resolution and fee schedule as presented.