Folsom City Council
Staff Report

MEETING DATE:	6/9/2026
AGENDA SECTION:	Public Hearing
SUBJECT:	Resolution No. 11646 – A Resolution to Amend Resolution No. 11094 and Adopt an Amended Fee Schedule for the Ambulance Cost Recovery Program Provided by the Fire Department
FROM:	Fire Department

RECOMMENDATION / CITY COUNCIL ACTION

The Fire Department recommends that the City Council pass and adopt Resolution No. 11646 – A Resolution to Amend Resolution No. 11094 and Adopt an Amended Fee Schedule for the Ambulance Cost Recovery Program Provided by the Fire Department. The effective date of this amended fee schedule will be July 1, 2026. This resolution will authorize annual administrative adjustments to the fee schedule based on the Ambulance Inflation Factor (AIF) published by the Centers for Medicare & Medicaid Services (CMS).

BACKGROUND / ISSUE

The Fire Department provides twenty-four-hour emergency response and ground ambulance transportation to the residents and visitors of Folsom, as well as mutual aid services to neighboring jurisdictions. The costs of this program are supported by the General Fund, with a significant portion of the expense offset by service fees recovered for ambulance transportation.

The Fire Department periodically reviews the fee schedule for emergency ground ambulance transportation services and recommends adjustments to ensure that fees accurately reflect the cost of providing the service. Resolution No. 11094, adopted by the City Council on August 22, 2023, approved the most recent rate increase and became effective October 2, 2023. That resolution directed staff to compare regional fee data when evaluating future fee increases.

Since 2023, the costs associated with the Ambulance Cost Recovery Program have continued to increase, while no adjustments have been made to recover the rising costs or to account for inflation. The proposed action updates the fee schedule to address the cost recovery gap and establishes an annual administrative adjustment using the AIF to keep fees current going forward.

POLICY / RULE

Folsom Municipal Code Section 3.25.020 (Service Charges) provides that fees for emergency ground ambulance transportation services shall be established by resolution of the City Council (Ord. 524 § 1, 1984). As the designated Emergency Medical Service (EMS) provider in the City of Folsom, the city may charge emergency ground ambulance services and the supplies used in providing such services.

This action is subject to the public notice and supporting-data requirements of California Government Code Section 66016 and is consistent with California Constitution Article XIII C (Proposition 26) as a fee that does not exceed the reasonable cost of providing the service.

ANALYSIS

Program Snapshot:

- Estimated annual program cost: $8,240,164
- Average annual revenue at current fees: $6,285,256
- Annual General Fund subsidy: $1,954,908
- Three (3) year blended payer mix average recovery rate: approximately 38%
- Personnel assigned to this program: six (6) Firefighter/Paramedic positions, seven (7) Single Role EMT positions, and seven (7) Single Role Paramedic positions.

Fee Study:

The Fire Department completed an internal fee study to determine the actual cost of operating the ground ambulance services program and the corresponding cost recovery. The study identified an annual funding gap of $1,954,908, which is currently absorbed by the General Fund. The complete fee study is available for public review pursuant to Government Code Section 66016.

Payer Mix and Recovery Rate:

A primary driver of the recovery gap is the payer mix combined with the reimbursement caps imposed by federal and state health programs. The city cannot recover charges above the rates allowed by Medicare and Medi-Cal regardless of the fee schedule set by Council; any fee adjustment must therefore be sized to account for the blended collection rate across all payers.

The current distribution of transports and average reimbursement by payer class is as follows:

- Medicare: 60% of transports, average reimbursement approximately 18.5% of charges
- Private insurance: 21% of transports, average reimbursement approximately 81% of charges
- Medi-Cal: 15% of transports, average reimbursement approximately 38% of charges
- Private pay (uninsured): 4% of transports, average collection approximately 9% of charges

Under the current fee schedule, the average billed charge per transport is approximately $2,981, while the blended average collection is approximately $1,099 per transport. The shortfall between billed charges and collections is largely a function of federally and state-mandated reimbursement caps and is not, in most cases, collectable through fee increases.

Regional Comparison:

Staff compared Folsom's current fees against the regional average drawn from the following comparison agencies:

Sacramento Metropolitan Fire District, City of Sacramento, Cosumnes Community Services District, and South Placer Fire District

The table below summarizes the comparison of current Folsom fees, the regional average, and the proposed Folsom fees for each fee item:

Regional Ambulance Cost Comparison Survey								
Regional Agency	**ALS Base Rate**	**Mileage**	**ALS Supplies**	**Oxygen**	**Cardiac Monitor/Defib**	**CPAP**	**Bone Drill**	**Assessment at Scene**
Sacramento Metro Fire Dist. *effective 7/1/2026	$3,495.00	$53.00	N/A	$194.00	$148.00	$213.98	$369.34	$532.00
City of Sacramento Fire Dept.	$3,108.00	$38.00	$150-$255	$179.00	$207.00	$242.00	$418.00	$388.00
Cosumnes CDS Fire Dept.	$2,654.67	$39.73	53-124	$148.93	$134.35	$190.58	$182.00	$503.93
South Placer Fire Dist.	$2,294.38	$47.08	$8-$500	$215.83	$142.72	$286.06	$382.36	$328.09
Folsom Fire Dept. (Current)	$2,158	$39	$105	$165	$168	$225	$305	$425
Regional Average	$2,888	$44		$184	$158	$233	$338	$438
Folsom Fire Dept. (Proposed)	**$3,071**	**$44**	**$105**	**$184**	**$158**	**$233**	**$338**	**$438**

Regional Ambulance Cost Comparison with Folsom's Proposed Fees								
Regional Agency	ALS Base Rate	Mileage	ALS Supplies	Oxygen	Cardiac Monitor/Defib	CPAP	Bone Drill	Assessment at Scene
Sacramento Metro Fire Dist. *effective 7/1/2026	$3,495.00	$53.00	N/A	$194.00	$148.00	$213.98	$369.34	$532.00
City of Sacramento Fire Dept.	$3,108.00	$38.00	$150-$255	$179.00	$207.00	$242.00	$418.00	$388.00
Folsom Fire Dept. (Proposed)	**$3,071**	**$44**	**$105**	**$184**	**$158**	**$233**	**$338**	**$438**
Cosumnes CDS Fire Dept.	$2,654.67	$39.73	53-124	$148.93	$134.35	$190.58	$182.00	$503.93
South Placer Fire Dist.	$2,294.38	$47.08	$8-$500	$215.83	$142.72	$286.06	$382.36	$328.09

Recommended Fee Adjustments:

If Folsom adopted the regional average for all fee items, the resulting estimated additional revenue would be approximately $1,586,047 — insufficient to close the $1,954,908 funding gap. To fully fund the program, staff recommends adopting the regional average for all fee items except the Advanced Life Support (ALS) Base Rate, which is recommended to be set at $3,071. Across the full schedule, the recommended structure results in an average increase of approximately $972 per transport in billed charges, which — when applied to the blended payer mix and corresponding recovery rates — is projected to generate approximately $1,954,908 in additional annual revenue and close the General Fund subsidy.

Supplemental Medi-Cal Reimbursement Programs:

Under PP-GEMT IGT, the City contributes a non-federal share through an intergovernmental transfer, which is then matched with federal Medicaid funds to generate enhanced per-transport add-on payments for Medi-Cal and Medi-Cal managed care transports. This program meaningfully improves cost recovery on the 15% of transports attributable to Medi-Cal patients without increasing charges to patients, shifting costs to the General Fund, or duplicating the fee revenue addressed by the proposed fee schedule. The supplemental reimbursement received through PP-GEMT IGT is in addition to, and independent of, the fee adjustments recommended in this action.

Annual AIF Adjustment:

To prevent further erosion of cost recovery between rate actions, staff recommends that the fee schedule be adjusted annually using the Ambulance Inflation Factor (AIF). The AIF is published each year by the Centers for Medicare and Medicaid Services (CMS) within the U.S. Department of Health and Human Services and represents the annual percentage adjustment applied to the Medicare ambulance fee schedule. Tying Folsom's fee schedule to the AIF aligns the City's adjustment methodology with the same inflationary measure used by Medicare and avoids the recovery erosion that has occurred between rate actions since 2023. The proposed resolution delegates this annual administrative adjustment to the City Manager or designee, with no further Council action required unless a structural fee change is proposed.

FINANCIAL IMPACT

The proposed fee adjustment is projected to generate approximately $1,954,908 in additional annual revenue beginning in FY 2026-27, eliminating the current General Fund subsidy of the Ambulance Cost Recovery Program. The recommended ALS Base Rate is $3,071. The regional average is applied to all other fee items, including assessment at scene, mileage, oxygen, cardiac monitor, CPAP, and bone drill / intraosseous access. The additional revenue will offset annual operating expenses within the Fire Department, including management and overhead costs, employee labor for the six Firefighter/Paramedic positions, seven Single Role EMT positions, and seven Single Role Paramedic positions assigned to the program, medical supplies and equipment, oxygen, fuel, vehicle maintenance, and capital expenses such as vehicle replacement.

Adoption of the annual AIF-based adjustment is intended to maintain the City's recovery position over time and reduce the likelihood of future General Fund subsidies driven by inflation. The updated fee schedule will become effective July 1, 2026, to align with the start of FY 2026-27.

ENVIRONMENTAL REVIEW

This report concerns administrative activities that do not constitute a "project" as defined by section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is otherwise exempt pursuant to sections 15061(b)(3) and 15378(b)(2).

ATTACHMENTS

1. Resolution No. 11646 – A Resolution to Amend Resolution No. 11094 and Adopt an Amended Fee Schedule for the Ambulance Cost Recovery Program Provided by the Fire Department
2. Ambulance Cost Recovery Program Fee Study (available for public review pursuant to Government Code §66016)

Submitted,

Jason Solak, Fire Chief

Attachment 1

RESOLUTION NO. 11646

A RESOLUTION TO AMEND RESOLUTION NO. 11094 AND ADOPT AN AMENDED FEE SCHEDULE FOR THE AMBULANCE COST RECOVERY PROGRAM PROVIDED BY THE FIRE DEPARTMENT

WHEREAS, the City of Folsom, through its Fire Department, regularly provides emergency ground ambulance transport to the residents and visitors of the City of Folsom; and

WHEREAS, the fees for emergency ground ambulance have not been increased since October 2, 2023; and

WHEREAS, it is necessary for the City to increase fees for emergency ground ambulance services to recover costs for the operations of the emergency medical services provided to the citizens of Folsom and others in need of emergency medical treatment and transportation; and

WHEREAS, pursuant to Folsom Municipal Code - 3.25.020, fees for emergency transportation services and first responder paramedic services shall be established by Resolution of the City Council; and

WHEREAS, the Fire Department completed an internal fee study to determine the actual cost of operating the ground ambulance services program and the corresponding cost recovery; and

WHEREAS, the proposed fees are projected to generate approximately $1,954,908 in additional annual revenue and close the General Fund subsidy; and

WHEREAS, to prevent further erosion of cost recovery between rate actions, this fee schedule will be adjusted annually using the Ambulance Inflation Factor (AFI); and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom amends Resolution No. 11094 and adopts the attached updated fee schedule for the ambulance cost recovery program provided by the Fire Department effective July 1, 2026.

PASSED AND ADOPTED this 9th day of June, 2026, by the following roll-call vote:

AYES: Councilmember(s):
NOES: Councilmember(s):
ABSENT: Councilmember(s):
ABSTAIN: Councilmember(s):

____
Justin Raithel, MAYOR

ATTEST:

____
Christa Freemantle, CITY CLERK

FEE SCHEDULE FOR THE AMBULANCE COST RECOVERY PROGRAM PROVIDED BY THE FIRE DEPARTMENT

Effective July 1, 2026

	Ambulance Base Rates	Fee Schedule (Effective 10-2-23)	Fee Schedule (Effective 7-1-2026)
A.	Within Corporate City Limits	$2,158.00	$3,071.00
B.	Outside Corporate City Limits	$2,158.00	$3,071.00
C.	Patient Assessment/Treatment – No Transport	$425.00	$438.00
	Services / Procedures		
a.	Mileage (per mile)	$39.00	$44.00
b.	ALS Supplies	$105.00	$105.00
c.	Oxygen	$165.00	$184.00
d.	Cardiac Monitor/Defibrillator	$168.00	$158.00
e.	Continuous Positive Airway Pressure (CPAP)	$225.00	$233.00
f.	Bone Drill	$305.00	$338.00
g.	Bag Valve Mask	Included in Base	Included in Base
h.	Advanced Airway Management	Included in Base	Included in Base
i.	Night Call (1900-0700 hours)	Included in Base	Included in Base
j.	Intravenous Therapy	Included in Base	Included in Base
k.	Cervical Collar	Included in Base	Included in Base
l.	OB Kit	Included in Base	Included in Base
m.	Restraints	Included in Base	Included in Base
n.	Defibrillation Pads	Included in Base	Included in Base
o.	Pacing Pads	Included in Base	Included in Base
p.	Pulse Oximetry	Included in Base	Included in Base
q.	Emergency Transportation	Included in Base	Included in Base

Attachment 2

Attachment 2.
Ambulance Cost Recovery Program Fee Study

Fee Study Worksheet & Calculations: Cost Estimate — Ambulance Transport Services						
#	**Line Item**	**Unit Cost**	**Quantity**	**Allocation %**	**Extended Cost**	**Source / Notes**
	PERSONNEL — Ambulance Personnel					
1	6 Firefighter/Paramedic	$233,020	6.00	100.0%	$ 1,398,121	*Average base salary + benefits (loaded), with 2.5% COLA*
2	7 Paramedic Single Roles	$172,901	7.00	100.0%	$ 1,210,307	*Average base salary + benefits (loaded), with 2.5% COLA*
3	7 EMT Single Roles	$149,485	7.00	100.0%	$ 1,046,392	*Average base salary + benefits (loaded), with 2.5% COLA*
4	Estimated Overtime	$785,597	1.00	100.0%	$ 785,597	*Average OT hours (2 Years) | Average OT rate*
	PERSONNEL — Supervisor/Admin Personnel Support					
5	EMS Chief	$405,707	1.00	74.0%	$ 300,223	*EMS share of department activity, base salary + benefits*
6	Training Chief	$413,805	1.00	25.0%	$ 103,451	*EMS share of training oversight, base salary + benefits*
7	Operations Chief	$471,527	1.00	12.5%	$ 58,941	*EMS Fleet oversight, base salary + benefits*
8	Fire Chief	$559,328	1.00	5.0%	$ 27,966	*EMS share of strategic oversight, base salary + benefits*
8	Battalion Chiefs (3)	$384,001	3.00	25.0%	$ 288,001	*Narcotic mgt, high-acuity oversight, base salary + benefits*
9	Captains (9)	$315,288	9.00	25.0%	$ 709,398	*Training, remediation, on-scene oversight, base salary + benefits*
10	EMS Invoicing Staff (allocated)	$ 95,650	1.00	27.5%	$ 26,304	*50% on invoices × 55% transport-related, base salary + benefits*
11	Management Analyst (allocated)	$180,398	1.00	25.0%	$ 45,100	*EMS-related analytical and reporting work, base salary + benefits*
	DISPATCH/RADIO FEE					
12	800 Portable Backbone Fee	$ 385	6.00	100.0%	$ 2,310	*6 Radios assigned to Ambulances*
13	SRFECC dispatch services	$568,230	1.00	55.0%	$ 312,526	*Used FY25-26 base; 0.55 = Transport calls*
	EMS CONTRACTS					
14	Wittman Billing Services/PCR Software	$372,078	1.00	100.0%	$ 372,078	*Average Cost of FY24-25 | FY25-26*
15	Medical Director Contract	$ 38,400	1.00	74.0%	$ 28,416	*Allocated Transport share of EMS*
	EMS SUPPLIES, EQUIPMENT/EQUIPMENT MAINTENANCE, PHARMACEUTICALS, AND CONSUMABLES					
16	Departmental Medical Supplies/Equipment	$269,170	1.00	74.0%	$ 199,186	*Avg of FY24-25 | FY25-26; Transport share of EMS, EMS equipment, PPE consumables EMS-specific (gloves, gowns, N95s, etc.),Stryker / Zoll medical equipment maintenance*
	ECG Monitors	$ 34,364	1.00	100.0%	$ 34,364	*5 Units - Estimated lifespan 10 years*
	EMS TRAINING, DUES, AND COMPLIANCE					
17	Instructor reauthorizations, certificate cards ACLS/CPR, Pediatric Provider Course, Handtevy	$ 6,569	1.00	74.0%	$ 4,861	*Allocated Transport share of EMS*
18	Pediatric Emergency Annual	$ 3,507	1.00	74.0%	$ 2,596	*Allocated Transport share of EMS*
19	Paramedic license renewal	$ 250	7.00	100.0%	$ 1,750	*$250 every other year | (14 Total) 7 Every Year*
	VEHICLE— REPLACEMENT/MAINTENANCE					
20	Vehicle Replacement -	$ 59,067	5.00	100.0%	$ 295,335	*Ambulance and re-mount - Estimated lifespan 15 years.*
21	Vehicle Maintenance	$ 50,685	1.00	100.0%	$ 50,685	*Approx. avg of FY24-25 | FY25-26*
	OTHER OPERATING COSTS					
22	Fuel	$179,548	1.00	36.0%	$ 64,637	*Ambulance fuel use*
23	Liability Insurance	$881,823	1.00	25.0%	$ 220,456	*25% of total line personnel for program*
24	Overhead allocation	$787,682	1.00	25.0%	$ 196,921	*Includes cellular, internet, radios, utilities, building maintenance, hardware, software, software license & maint, office supplies, departmental supplies, and uniforms. 25% of total line personnel for program*
	PPGEMT IGT CONTRIBUTION (cost)					
25	DHCS PPGEMT intergovernmental transfer	$454,242	1.00	100.0%	$ 454,242	*Per FY25-26; supplemental revenue offsets on Cost Recovery sheet*
	TOTAL ANNUAL COST				**$ 8,240,164**	