



BUSINESS OF THE CITY COUNCIL CITY OF MERCER ISLAND

AB 5886
June 15, 2021
Regular Business

AGENDA BILL INFORMATION

TITLE:	AB 5886: Emergency Medical Transport Policy Update	<input type="checkbox"/> Discussion Only
RECOMMENDED ACTION:	Adopt Resolution No. 1599 updating the City's emergency medical transport billing practices and procedures.	<input checked="" type="checkbox"/> Action Needed: <input type="checkbox"/> Motion <input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution

DEPARTMENT:	Finance and Fire
STAFF:	Jeff Clark, Interim Fire Chief Matthew Mornick, Finance Director
COUNCIL LIAISON:	n/a
EXHIBITS:	1. Resolution No. 1599 2. Emergency Medical Billing Administrative Policy 3. Mercer Island Finance Assistance Application Form
CITY COUNCIL PRIORITY:	2. Articulate, confirm, and communicate a vision for effective and efficient city services. Stabilize the organization, optimize resources, and develop a long-term plan for fiscal sustainability.

SUMMARY

The purpose of this agenda bill is to adopt a Resolution to update the BLS (Basic Life Support) ambulance transport fee and approve the administrative policy for administering emergency medical billing.

BACKGROUND

At the March 16, 2021 City Council Meeting, staff presented [AB 5833](#) seeking direction from the City Council on the policies guiding emergency medical transportation fees as follows:

1. What considerations would you suggest concerning the setting of the transport fees and an annual inflator?
2. What considerations would you suggest concerning the collection of co-payments and charges to residents versus non-residents? For patients who are insured versus those that are uninsured?
3. Should staff consider implementing a collections process?
4. Do you have any suggestions to improve the existing financial assistance program?

After receiving input from the City Council on March 16, 2021, staff evaluated King County area transport policies and fees to inform the policy recommendation for the Council. Staff attempted to meet three overarching objectives when determining the recommendation:

1. Uniformity and consistency of application.
2. Best business and financial practices.
3. Provide financial forgiveness if qualified.

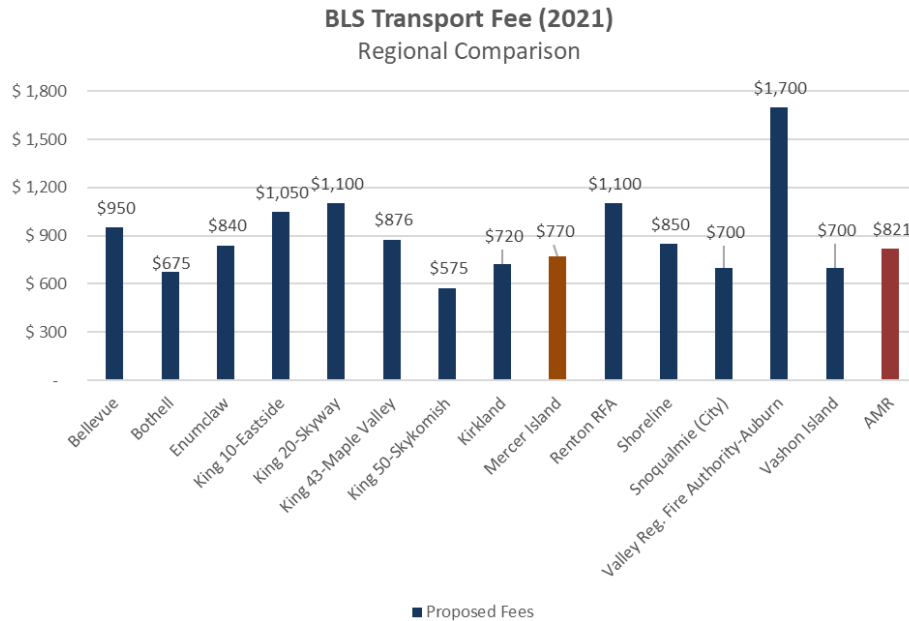
The feedback received from the City Council is captured within one or more of these objectives. Taken together, the staff recommendations listed below effectively address the three overarching objectives.

1. Recommended rates match the average rate in the immediate area ensuring regional consistency at a modest rate.
2. Adding an annual CPI driven inflator implements a best business and financial practice.
3. Linking the rates with American Medical Response (AMR) to ensure uniformity and consistency for all patients.
4. Billing all patients in an identical manner (resident, non-resident, insured or uninsured) to ensure uniformity and consistency for all patients.
5. Implementing a collections process is a best business practice and ensures all bills follow the same practice. The collection process will be treated as a last resort and the patient has an opportunity to file for financial forgiveness or to appeal to the Fire Chief and Finance Director for a waiver.
6. Reaffirming a forgiveness program that is consistent with regional fire departments and AMR provides for a reasonable forgiveness program for those who need it most.
7. Tracking uncollected fees and writing off as bad debt is a best business and financial practice ensuring the City's ability to utilize this at a future date if the opportunity presents itself.

Mercer Island City Code [4.60.010](#) imposes the Basic Life Support (BLS) transport user fee and states that "All persons transported for BLS by the city's fire department shall be charged and billed BLS transport fees by the City at rates set and adjusted as necessary by resolution of the City Council. The city manager or his/her designee shall establish a procedure to bill and collect BLS transport fees. The city may contract with a billing service and/or collection agency to bill and collect the same."

When the fee was established in 2012, there was no cost recovery target established and the policy did not include an annual inflationary factor. The fee was set to be consistent with fees charged by other local fire departments and private ambulance providers and sought to maximize reimbursements from the patient's insurance.

The \$770 base transport fee and \$15 per mile reimbursement for MIFD emergency medical transport have remained unchanged since 2012. Many agencies within the region raised emergency medical transport fees at the beginning of 2021. The table below provides a regional fee comparison.



RECOMMENDATION

Based on the discussion and direction received, staff recommends adoption of Resolution No. 1599 (Exhibit 1), the Administrative Policy (Exhibit 2), and Financial Assistance Application Form (Exhibit 3). In so doing, the BLS (Basic Life Support) ambulance transport fee will be a base fee of \$1,033, plus a mileage reimbursement fee of \$17.00 per mile, effective August 1, 2021. This is based on the average of the closest neighboring public agencies who provide medical transport services. The base fee and mileage reimbursement shall increase annually, starting on January 1, 2023, by an inflator tied to Medical Care CPI or 3.0%, whichever is greater. These fees shall remain in place until amended by the City Council via resolution. Medical Care CPI refers to the medical care consumer price index (consisting of medical care services) for All Urban Consumers.

Additionally, staff is recommending that the City's contract with American Medical Response (AMR) be amended to link what AMR is permitted to charge with the Mercer Island rate so that all patients that receive a response from MIFD be billed the same. Many departments, and AMR, have an annual inflator linked to their transport rate. This change will ensure all Mercer Island patients are billed consistently.

All patients transported will be billed consistently, according to standard medical billing practices, which includes billing for co-payments and charges for insured and uninsured patients. Considering that the fees collected by Mercer Island are utilized to offset tax expenditures, staff views collections as a fundamental responsibility to ensure a standard and best practice is implemented to minimize the impact on tax dollars supporting other City services. When determining who to bill, most of the City's closest neighbors and AMR, bill residents and non-residents under the same policy.

A financial assistance program links to the federal poverty scale to determine eligibility. Additionally, the patient can ask the City to consider extenuating circumstances where the Fire Chief and Finance Director will have the authority to waive charges. There are legitimate reasons to offer a forgiveness program for those who meet the predetermined criteria. Criteria that are linked to the federal poverty rate, as well as an exception process for those truly unique circumstances that the City would vet through a team that consists of the Fire Chief and Finance Director. Patients would file all claims for forgiveness and petitions for waiver of

fees to Systems Design West. System Designs West will then seek final approval from the City on a case-by-case basis.

Finally, the policy includes going to collections if necessary. The collections process will be handled through a professional collections agency within industry norms and only as a last resort. All uncollected fees will be written off as bad debt and reported to the City Council quarterly.

Based on the recommended policy set forth in Resolution No. 1599, all patients who receive emergency medical transport on Mercer Island will be billed using the same practices, regardless of if MIFD, AMR, or Bellevue conduct the transport. The fees will be updated after going unchanged for ten years and an escalator will be added to keep pace with the transport market.

The proposed fees and practices will produce an increase in projected transport related revenue between \$20,000 – \$30,000 beginning in fiscal year 2022.

RECOMMENDATION

1. Adopt Resolution No. 1599 (Ex. 1) updating the City's emergency medical transport billing fee;
2. Adopt the Emergency Medical Billing policy substantially in the form as presented in Exhibit 2; and
3. Adopt the Finance Assistance Form substantially in the form as presented in Exhibit 3.