



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

May 23, 2014

TO: EACH SUPERVISOR

FROM: DARYL L. OSBY, FIRE CHIEF *DLO*

UPDATE: FIRE DISTRICT – POTENTIAL NEW REVENUE OPPORTUNITIES

This is to provide your Honorable Board with an update to the memorandum dated October 7, 2013 (attached) regarding the County of Los Angeles Fire Department's (Department) progress in evaluating and implementing potential new revenue opportunities. As provided below, each revenue stream is detailed with an update on progress and projected viability. As the Department approaches making specific recommendations to your Honorable Board regarding these programs, we have and will continue to work with the Office of the County Counsel to draft the appropriate ordinances and/or resolutions as well as the Auditor-Controller's Office (AC) to obtain their approval.

First Responder Billing (FRB) Program

A first responder billing program allows for a level of reimbursement to public agencies that provide first response emergency medical services to those who call 911. Currently, several fire departments such as Sac Metro, West Covina, Novato and Long Beach have implemented FRB programs.

A FRB program must include the requirement that, all patients receiving care as a result of a 911 call to a fire department will be billed. It is recognized that initially only commercial insurance payers will actually remit payment. The percentage of Fire District 911 patients who call 911 and have commercial insurance is approximately 23 percent. The following is the Department's current status with regard to evaluating this program:

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CALABASAS
CARSON
CERRITOS
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COMMERCE
COVINA
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HAWAIIAN GARDENS
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LA MIRADA
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LOMITA
LYNWOOD

MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES
PARAMOUNT
PICO RIVERA

POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

- The Department is projecting that the implementation of a fee to recover the cost associated with an engine response and engine/paramedic response could generate approximately \$12 million in new revenue. This projection recognizes that only 23 percent of Emergency Medical Services (EMS) calls will be reimbursed, as described above.
- The Department can utilize its contracted private ambulance 911 transport providers to bill for this program. The transport provider would pass the revenue back to the Department as they currently do for the Department's Advanced Life Support Pass Through Agreement.
- The Department will evaluate the costs of contracting with a third-party collection agency for this program as an alternative to utilizing its private 911 ambulance partners.
- The Department has received approval from the AC on the proposed fee methodology.
- It is projected that the Department will provide a recommendation to your Honorable Board to implement this program in the near future.

Ground Emergency Medical Transport (GEMT) First Responder Billing Program

The original GEMT program currently allows local fire service agencies that provide transportation to Medi-Cal patients to obtain federal reimbursement for one-half of the "unfunded mandate." As described below, this program is being expanded to provide revenue for fire departments that provide first response services, but do not transport. The following is the Department's current status regarding this program:

- Implementation of the First Responder Billing Program is a precursor and a requirement to qualify for the GEMT First Responder Billing program.
- A State Plan Amendment was filed in July of 2013, to expand the original GEMT program to include those public agencies who are first responders to medical emergencies, but do not transport. This would apply to fire departments such as ours.
- The GEMT first responder billing program is designed to provide federal reimbursement for one-half of the cost of providing first response medical services to Medi-Cal patients who call 911.

- The GEMT First Responder Billing program is still under development.
- There is the potential for fire departments to bill Medi-Cal retroactively; to either the date of the submittal of the State Plan Amendment, which was July 1, 2013, or the date affected fire department initiated a First Responder Billing Program, whichever is later.
- The Department will be required to have its own Medi-Cal billing number to initiate both the First Responder Billing Program as well as the GEMT First Responder Billing Program.
- The Centers for Medicare and Medicaid Services (CMS) determined that the GEMT would *not* apply to Medi-Cal Managed Care patients without a change in current state law. In turn, the CMS opinion excludes a large population of Medi-Cal beneficiaries from both the GEMT Transport and the GEMT First Responder Billing programs. To rectify this loophole, California Assembly Bill (AB) 2577 has been drafted to correct this complication, thus allowing the GEMT programs to capture Medi-Cal Managed Care patients.
- The Department will be providing pertinent information to the Chief Executive Office on this matter and will request your Honorable Board to support AB 2577.

Vehicle Accident Recovery Program

This program is designed to provide reimbursement for first responders to vehicle accidents by billing the at-fault driver's vehicle insurance provider. The following is the Department's current status regarding this program:

- The Vehicle Accident Recovery Program is designed to reimburse fire departments for their costs to mitigate a traffic accident. Examples of these billable services are traffic control, cleanup of fluids, mechanical extrication of victims, report writing time and the landing of air ships to transport patients when needed.
- The Department projects that the potential revenue from this program is estimated to be \$3.5 million annually.
- The Department intends on having further discussions with your Honorable Board prior to implementing this program.

Advanced Life Support (ALS) Assessment

The ALS assessment fee is charged to patients who receive an ALS assessment by a paramedic, even if the assessment did not result in a transport to the hospital. This fee is usually billed directly to the healthcare insurance provider. The following is the Department's current status regarding this program:

- Due to the level of patient care data required to bill for the ALS assessment and the current lack of access to this data electronically, the Department will further evaluate and consider this potential fee once the electronic patient care record system (ePCR) has been fully implemented. The ePCR is projected to be initially implemented by March 2015, and fully implemented by September 2015.

Fire Prevention Fees

The Department currently charges limited fees associated with land development costs. Other agencies charge fees for fire prevention activities, such as plan reviews, permits, and annual inspections. The following is the Department's current status regarding this program:

- Implementation of new fire prevention fees is related to and dependent upon the adoption of the Fire Code. Changes to the Fire Code were adopted by your Honorable Board in March 2014.
- Prior to returning to your Board in 2017 to adopt any new changes to the Fire Code and any recommendations for new fire prevention fees, the Department will provide you, in advance, the changes to be made to the Fire Code and a comparative analysis of the fees charged in other jurisdictions within Los Angeles County.
- The Department will return to your Board in 2017 to adopt any new changes to the Fire Code and will include any recommendations for new fire prevention fees.

With the above stated, the Department continues to move forward in evaluating these potential new revenue opportunities and will keep you posted on any significant advancements. Moreover, with regard to applicability, it should be noted that the revenue generated from the FRB and GEMT will support and sustain the increasing scope of the Department's EMS responsibilities. I estimate, with the approval of your Honorable Board, that the Department can implement the stated revenue streams during calendar year 2015.

Each Supervisor
May 23, 2014
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My next update will include more specific timeframes for implementation, as well as my anticipated meetings with each Board office for further discussion on these matters. If you have any questions, please contact me at (323) 881-6180, or your staff may contact Deputy Chief Dawnna Lawrence at (323) 881-2426.

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Attachment

c: William T Fujioka
Brence Culp
Georgia Mattera
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Rick Velasquez
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COUNTY OF LOS ANGELES

FIRE DEPARTMENT

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DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

October 7, 2013

TO: EACH SUPERVISOR

FROM: DARYL L. OSBY, FIRE CHIEF

FIRE DISTRICT – POTENTIAL NEW REVENUE OPPORTUNITIES

The Fire District is evaluating the potential of several new revenue streams that have been and/or are being established by many fire departments throughout California. The majority of these new revenue streams are related to the implementation of fees associated with emergency medical services (EMS). The monies generated from these fees will be used to offset the cost the Fire District is currently incurring to provide emergency medical response and to enhance the delivery of these services, therefore, mitigating our risk management costs.

The Fire District will consult with the Chief Executive Office, Auditor-Controller, and other subject matter experts while evaluating the feasibility of these new revenue streams. The Fire District will obtain Board approval to implement all fees associated with the revenue streams deemed viable.

Below is a brief description of the new revenue streams we are evaluating:

- First Responder's Fee – Fire departments are collecting this fee from patients' healthcare insurance providers to offset a portion of the cost associated with EMS response. Implementation of this fee is critical as it provides the framework to secure Federal funding known as the Ground Emergency Medical Transports.
- Ground Emergency Medical Transports (GEMT) - GEMT allows local fire service agencies to obtain reimbursement for pre-hospital care provided to Medi-Cal patients. Reimbursement is limited to 50 percent of the uncompensated cost of first response associated with Medi-Cal patient treatment prior to transport.

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BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY

DIAMOND BAR
DUARTE
EL MONTE
GARDENA
GLENNDORA
HAWAIIAN GARDENS
HAWTHORNE

HIDDEN HILLS
HUNTINGTON PARK
INDUSTRY
INGLEWOOD
IRWINDALE
LA CANADA FLINTRIDGE
LA HABRA

LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER
LAWNDALE
LOMITA
LYNWOOD

MALIBU
MAYWOOD
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PALMDALE
PALOS VERDES ESTATES
PARAMOUNT
PICO RIVERA

POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
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WHITTIER

- Vehicle Accident Recovery Fee – This recovery fee is applicable to the at-fault driver who caused a vehicle accident. The fee provides reimbursement for first responders to traffic accidents. It is billed to the at-fault driver's vehicle insurance provider. Approximately sixty-five (65) fire departments in California currently collect this fee.
- Advanced Life Support (ALS) Assessment Fee – The ALS assessment fee is charged to patients who receive an ALS assessment by a paramedic. The fire departments can bill for an ALS assessment fee even if the assessment did not result in transport to a hospital. The fee is normally billed directly to the healthcare insurance provider.
- Fire Prevention Fees – The Fire District currently charges limited fees associated with land development costs. However, many other agencies charge fees for many other fire prevention activities, such as plan reviews, permits, and annual inspections. Fire prevention fees are paid at the time the service is provided.

Since 1978, the Fire District has absorbed a 300 percent increase in EMS responses (from 72,000 to approximately 230,000) and augmented its staffing to respond to critical modern-day emergencies, such as hazardous materials, urban search and rescue, terrorism attacks, and wildland fires in the urban interface areas. However, the Fire District's main revenue source (property tax allocation of 1 percent) remains relatively the same as a result of Proposition 13. The pursuit of viable new revenue opportunities will assist the Fire District in effectively managing our current and future service demands.

The Fire District will provide your Board an update on our assessment of these potential revenue opportunities by March 31, 2014. Our update will include potential revenue amounts, time frames to implement each viable fee, and information related to any additional administrative oversight/reporting required for the new funding source. Afterwards, I will meet with each of you and/or your staff to discuss these revenue opportunities in detail.

If you have any questions, please contact me or your staff may contact Deputy Chief Dawnna Lawrence, Administrative Services Bureau, at (323) 881-2426.

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Joseph Charney
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