



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

November 9, 2015

TO: EACH SUPERVISOR

FROM: DARYL L. OSBY, FIRE CHIEF

FIRE DEPARTMENT – POTENTIAL NEW REVENUE OPPORTUNITIES

This is to provide your Honorable Board with an update to the memorandum dated May 23, 2014 (attached) regarding the County of Los Angeles Fire Department's (Department) progress in evaluating and implementing potential new revenue opportunities. As the Department approaches making specific recommendations to your Honorable Board regarding these programs, we 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

Program Description: An FRB program allows for a level of reimbursement to public agencies that provide first response emergency medical services to those who call 911. 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 assumes that while all patients will be billed, only 23% of patients carry private healthcare insurance and are, therefore, collectable.

Status: The Department will be implementing electronic Patient Care Records (ePCRs) in August 2016, which will provide the means to collect data necessary for the FRB. With ePCRs in place, the Department will evaluate the options of contracting with a third-party collection agency for this program. It is anticipated that the Department will provide recommendations to your Board in 2016-17.

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LYNWOOD

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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
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

Ground Emergency Medical Transport (GEMT) First Responder Billing Program

Program Description: The GEMT program currently only allows local fire service agencies that provide transportation to Medi-Cal patients to obtain federal reimbursement for one-half of the “unfunded mandate.”

Status: Because the Department does not transport, the funding is not currently available to the Department. Recent Statewide efforts to expand GEMT have proved unsuccessful:

- In 2014-15, a State Plan Amendment (09-024) was drafted that would expand the original GEMT program to include public agencies who are first responders but do not transport. However, in its final version, the State Plan Amendment did not extend to agencies such as the Department.
- Currently, the GEMT does not apply to Medi-Cal Managed Care patients. California Assembly Bill (AB) 2577 would have corrected this loophole, but the Governor vetoed AB 2577 on September 9, 2014.

Vehicle Accident Recovery Program

Program Description: This program is designed to provide reimbursement for first responders to vehicle accidents by billing the at-fault driver’s vehicle insurance provider.

Status: Since the Department plans to pursue the FRB, this program will not be pursued as this program would be applicable to most of the same persons as the FRB.

Advanced Life Support (ALS) Assessment

Program Description: 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.

Status: Since the Department plans to pursue the FRB, this program will not be pursued at this time, as this program would be applicable to most of the same persons as the FRB.

Fire Prevention Fees

Program Description: 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. Implementation of new fire prevention fees is related to and dependent upon the adoption of the Fire Code.

The Honorable Board of Supervisors
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Status: The Department is reviewing its prevention program to determine those activities that could appropriately be cost offset by fees. Services such as completing inspections, issuing permits, and approving plan checks may reasonably be funded by those individuals or companies who benefit. The update of fire prevention fees is scheduled to be included in the January 2017 Fire Code update.

Bond Measure for Infrastructure (New)

Program Description: While the exact dollar amount is unknown, the Department has a huge infrastructure liability that it needs to address. All of the Department's facilities are being evaluated, and those evaluations will be used to develop a detailed plan for essential replacement/renovation. A potential mechanism to fund the needed renovations and/or facility replacement is a bond measure that, if approved by voters, could fund critical improvement projects.

Status: In the next two months, Godbe Research should be on board to determine the feasibility of a bond measure.

I will continue to provide updates as these programs are developing, and meet with you and/or your staff before we move forward with any recommendations.

If you have any questions, please call me at (323) 881-6180.

Attachment

DLO:da

c: Sachi A. Hamai
Jim Jones
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Rick Velasquez
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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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HAWTHORNE

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

LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER
LAWDALE
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

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- 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.

DLO:aat

Attachment

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