

# Revenue Recovery: Emergency Medical Services

James City County Fire Department  
September 2004

## Project History

- Board of Supervisors
  - Approved concept of Revenue Recovery
  - Authorized further evaluation of program
  - Revenue Recovery considered as alternative funding source for FY-06 budget

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## Current Cost of Delivering EMS Service in James City County

- **Approximately \$4,244,908 Spent Last Year (FY-04)**
  - Staffing
  - Vehicles
  - Fuel
  - Buildings
  - Equipment
  - Training/Education
  - 911 Dispatch Center

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## Why EMS Revenue Recovery?

- Cost of providing effective EMS continues to rise.
- New EMS Rules and Regulations.
- Demand for EMS projected to increase as population ages.
- Costs rising faster than natural revenue growth.

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## Funding Options

- Can pay for these costs either by:
  - Tax revenue
  - Reduction or elimination of other less essential services
  - Pursuing untapped federal funds, health and auto insurance dollars which are currently available

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## Work Completed to Date

- Vendor selected for Phase I of Project
  - Selected Diversified Ambulance Billing of Virginia Beach
  - Staff briefings underway on findings/recommendations
  - Conducted small focus group sessions
    - Citizens Fire Academy
    - CERT

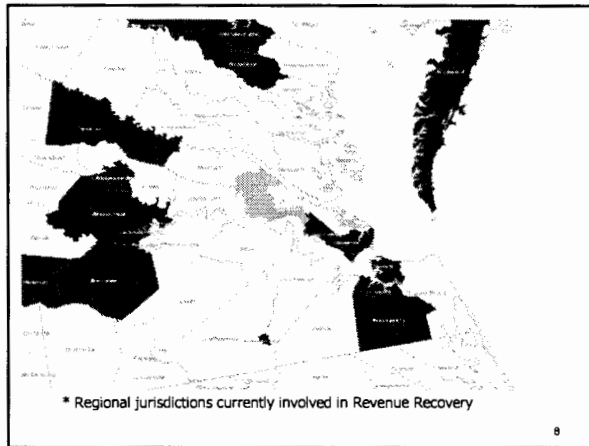
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Virginia Localities with EMS Fee's



\* Jurisdictions currently involved in Revenue Recovery

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\* Regional jurisdictions currently involved in Revenue Recovery

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## Revenue Recovery

- Revenue recovery will also allow us to recover funds from those service users who are non-James City County residents such as:
  - Employees of businesses or industry, within James City County, who reside elsewhere
  - College students
  - Interstate traffic
  - Visitors

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## Insurance

- Insurance subscribers pay their premiums to provide the benefits they may need during the covered period.
- Rebates are not given because a service is not used. It is considered an avoided payout.

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## Insurance

- Ambulance transportation is considered to be a component of the health care industry.
- Insurance companies budget for the cost of ambulance transportation.
  - *included in your health care premiums*
  - *Payment for ambulance transportation is only 1% of the total insurance health care costs.*
- No historical data supports rising insurance premiums due to a Revenue Recovery program

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## Medicare & Medicaid Insurance Programs

- Medicare and Medicaid programs also reimburse for medically necessary emergency ambulance transportation.
  - Medicare is provided as a medical insurance supplement for senior citizens
  - Medicaid is a medical insurance program administered, through state and local social services offices, for the financially disadvantaged.

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### How does Revenue Recovery Work?

- Patient's insurance will be billed based on the level of care provided during transport to the hospital.
- Invoiced based on level of service received
  - Basic Life Support versus Advanced Life support
  - "Loaded" Mileage (fee charged per mile for each patient transported)

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### How is the Patient Billed?

- All insurance options are exhausted
- Three "Billing Letters" are issued
- An adjustment application is reviewed
  - Ability to Pay (Sliding scale benefit)
  - Follow Board Revenue Guidelines for remaining balance

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### What does this MEAN?

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The patient has already paid for the ambulance transport through...

- **Auto Insurance Premium**
- **Medicare/Medicaid**
- **Other Health Insurance Policies**
- **Subscription Program**
- **An important Goal Is To Bill the patient as a LAST RESORT!**

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### Subscription Option

- Known as "EMS Passport"
  - Designed for those who do not have sufficient medical insurance or feel that this option may be more cost effective than a co-pay requirement
  - Annual fee (less than \$100)
  - Covers all residents of the household listed on the application
  - Non-Residents and other – (an annual fee per individual)

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## What Will the Impact be on the Volunteer Programs?

- Research has shown that volunteers are concerned about how they will be perceived by the public
- Historical data indicates minimal impact on contributions
- Many localities have agreed to reimburse documented lost funding to the volunteer agencies

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## Allowable Rates

- Patients in need of medically necessary ambulance transportation may be charged according to the type of service they receive.
  - Basic Life Support –
  - Advanced Life Support – Level I -
  - Advanced Life Support – Level II -
  - Patient Loaded Mileage –
  - No charge if patient is evaluated and not transported.
    - Optional charges such as oxygen delivery and evaluation fees will not be charged.

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## Recommendations

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## Revenue Recovery

- **At no time will a citizen or visitor be denied emergency medical care based on their ability to pay!**

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## Patient Insurance Expenses

- Medicaid
  - Will reimburse a flat rate, based on loaded mileage, for emergency ambulance transportation
  - reimbursement is considered payment in full
  - No co-payment requirement
- Medicare
  - The majority of Medicare patients have Medicaid or a supplemental insurance coverage which would require no co-payment expense from the patient
  - Medicare patients without secondary or supplemental insurance may require a co-payment expense from the patient

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## Financial Hardship

- For citizens who do not have insurance and can demonstrate financial hardship, an ability-to-pay scale will be used to determine the amount of the bill they are responsible for paying.
  - This scale will follow established County policy.

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## Volunteer Fire Department and Rescue Squad

- The Volunteer Fire Department and Rescue Squad will be encouraged to sign an agreement with the County to participate in, and benefit from, the revenue recovery process.
- Reimburse volunteers for any loss of donations which occur as documented by a third party audit.
- The revenue recovery system will help defray the replacement costs of:
  - ambulances
  - Equipment

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## Eligibility Maintained

- Revenue recovery will not remove eligibility to:
  - Four-for-Life funds returned to locality
  - Participate in Rescue Squad Assistance Fund (RSAF) Grant process
  - Participate in hospital supply exchange programs

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## Future Needs

- Staffing
- Additional ambulances
- Upgrade/replacement of ambulances and other technology
- On-going training expenses

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## Community Information Plan

- Conduct briefings for career and volunteer staff
- Conduct public informational meetings in each voting district
- Conduct media campaign

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## Getting the Message Out

- Will provide information on Revenue Recovery program to community through a variety of media opportunities
  - Print and video media
  - County web site
  - Channel 48 – Local Government channel
  - Public Informational Meetings
  - Presentations to local civic groups
    - Lions
    - Rotary
    - Kiwanis
  - Use of County Communications Office assets
    - FYI Newsletter
    - Neighborhood Connections

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## The Service Remains the Same

**Regardless of their  
Insurance Coverage  
or their Ability to  
Pay!**



A 911 Call is Received..



EMS Units Respond, Treat & Transport



Patients are quickly delivered to hospital

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**Questions  
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