

Advanced Life Support (ALS) Revenue Recovery

Scope: CITYWIDE

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Regulatory References

July 27, 1993

Resolution 1993-0434

October 2011

AB 678-Ground Emergency Medical Transport

June 26, 2012

Resolution 2012-0214

March 18, 2014

Motion 2014-0053

Advanced Life Support (ALS) Revenue Recovery Policy

I. PURPOSE

To establish a policy for revenue recovery associated with the cost of providing the City's Advanced Life Support (ALS) program.

2. BACKGROUND

On July 27, 1993 (Resolution 93-434), the City established the ALS program. Council stated that the City's ambulance rates should be lower than other local providers given similar customer mixes. The ALS program as approved was to recover the direct cost of providing services without a General Fund subsidy.

As costs for ALS services continue to increase, the revenues generated by fees for service have not grown proportionally. The City is challenged to recover fee for service revenues due to a number of different reasons, one of them being payer mix. The City's payer mix is currently 34% Medicare, 35% Medicaid, and 16% Private Insurance with the remainder being Self Pay and Uninsured. In addition there are federal mandated write-offs which allow the City to collect only a small percentage of the actual billed amount from Medicare and Medicaid. In an effort to maximize reimbursements and cover direct costs the City has pursued additional recovery options.

In October 2011, AB 678 authorizing the Ground Emergency Medical Transport (GEMT) program was enacted providing for the reimbursement of transports of Medi-Cal patients who are not in managed care. On March 18, 2014, the City Council authorized the agreement with Sacramento Metropolitan Fire District (Motion No. 2014-0053) to pursue reimbursements through the GEMT program.

On June 26, 2012, the City Council approved increases to the ALS fees for service (Resolution 2012-214) to increase cost recovery to address a portion of the structural variance between the cost of providing services and the revenue collected for those services.

On December 16, 2014, Council authorized the participation in the Rate Range Intergovernmental Transfer (IGT) program. IGT allows local governments to receive a federal reimbursement for the transport of Medi-Cal patients that are in managed care.

While the City can assure the continuation of fee for service revenues, revenue recovery programs such as GEMT and IGT are subject to state and federal funding availability.

3. POLICY

- (a) The ALS Program costs shall be fully offset by direct revenues.
- (b) All revenues recovered for the provision of ALS services shall be used to cover direct and indirect costs to reduce the General Fund subsidy for this program.