



Revision to ASR and/or Exhibits/Attachments

Date: December 9, 2011
To: Darlene J. Bloom, Clerk of the Board of Supervisors
CC: County Executive Office *PD For Rob Richardson*
From: *for* David L. Riley, Director, Health Care Agency *BLO Wilson*
RE: *for* Agenda Item(s) # 23 for the 12/13/11 Board Meeting
ASR Control #(s): 11-001783
Subject: Revising Recommended Action & Background information in ASR

RECEIVED
 2011 DEC -9 PM 2:36
 CLERK OF THE BOARD
 ORANGE COUNTY
 BOARD OF SUPERVISORS

Explanation:

The Health Care Agency would like to make the following changes for the Maximum Ambulance Rates

Revised Recommended Action(s)

2 a&b. Change the effective date to December 13, 2011

4. Consider delegating to the Health Care Agency authority to calculate and implement future rate adjustments based on selected methodology. If delegation of such authority is approved, direct the Health Care Agency to return to the Board for approval on or before January 31, 2012 with an Ordinance change that implements the delegation process.

Make modifications to the:

Subject Background Information Summary

In accordance with Title 4, Division 9, Article 1, Section 4-9-12 of the Codified Ordinances of Orange County, your Honorable Board approves the maximum ambulance rates ~~that can be charged to the general public for Basic Life Support (BLS) ground transportation that may be charged for emergency ambulance service.~~ When ambulance services are provided, the County's licensed ambulance companies bill the patient for transportation services. If Advanced Life Support (ALS) services are provided by Orange County Fire Authority (OCFA) paramedics, ambulance companies bill the patient for those services and reimburse OCFA. The amount of reimbursement for OCFA is either increased or decreased by the same percentage as the change in the BLS maximum rate so long as it does not exceed the actual costs incurred by OCFA.

On September 11, 2007, your Board approved a methodology for setting maximum ambulance rates on an annual basis. The methodology utilizes the formula of 150% of the change from the prior year in the LA-Riverside-Orange County "all items" Consumer Price Index (CPI) as determined by the US Bureau of Labor Statistics. Ambulance rates were last adjusted using this methodology in 2008, at which time a 10.5% increase was approved. In 2009 and 2010, due to the depressed economy, the Health Care Agency made the decision to

delay requesting an ambulance rate change, even though the methodology would have suggested an adjustment—5.29% in 2009 and 4.06% in 2010.

On June 28, 2011, HCA requested an adjustment to the maximum rates using the current methodology. The item was continued and subsequently further continued by HCA as it sought a more efficient manner of annually implementing the current Board policy regarding maximum rates. On November 8, 2011, a revised implementation methodology and corresponding ordinance revision was presented to your Board for consideration. The Board did not adopt this proposed revision and directed HCA to return to the December 6, 2011 meeting with the original recommendation for a 5.9% increase which would cover the period since the last increase in 2008 (2008-2010). This would establish the new rate at \$711.50 and increase other commensurate rates as shown in the following table.

Type of Rate	Current Rates	Methodology Rate	% Change
BLS - per transport	\$671.75	\$711.50	5.91%
Mileage - per patient mile	\$15.50	\$16.50	6.45%
Oxygen Administration	\$76.00	\$80.50	5.92%
Standby Time - per 15 minutes	\$37.50	\$39.75	6.00%
Expendable Medical Supplies	\$30.00	\$31.75	5.83%

Under the approved methodology, OCFA's Advanced Life Support (ALS) reimbursement rate is adjusted by the same 5.9%, increasing it to \$376.75 from the current rate of \$355.75.

Your Board further asked HCA to re-evaluate the current Board policy to "evaluate how the CPI could be used for future adjustments." ~~Reiterating, the~~ The current methodology utilizes the annual change in the LA-Riverside-Orange County "all items" Consumer Price Index (CPI) multiplied by 150% to compute the adjustment. The stated intent of the 150% multiplier was to offset ambulance company losses from uninsured patients and patients covered by lower-paying governmental programs. Some organizations utilize the annual CPI change alone as the basis for adjustment, excluding any multiplier. Los Angeles County utilizes the transportation and medical portions of the CPI in computing their ambulance rates and their methodology is included as an option for consideration as well.

After reviewing the possible use of other CPI subcomponent indices, HCA continues to recommend the "all items" CPI (with or without a multiplier) as the best overall indicator of change in the factors that most influence the costs associated with ambulance operations (salary, equipment, training, communications equipment, fuel, maintenance/repair, ambulance replacement, etc.). When more specific CPI indicator categories are utilized (e.g., the transportation, health care, housing, etc.) there tends to be greater volatility in the indicator with significant year to year changes.

Four options are presented utilizing the CPI for future adjustment of maximum ambulance rates:

Option 1 - No change—utilize the current methodology - Annual CPI change multiplied by 150%.

Option 2 - Utilize only the annual change in the "all items" CPI, excluding the 150% multiplier.

Option 3 - Adopt the annual percent change in the "transportation" and "medical" portions of the CPI for All Urban consumers, Western Region (using a 50/50 blend of the two indices).

Option 4 - HCA recognizes that many different permutations of utilizing the CPI are possible and may have valid reasons for consideration. The options presented above are examples of current utilizations. The Board may wish to direct that another alternative be adopted or additional options be analyzed by staff.

For illustrative purposes, using the percent CPI change from 2009-2010, the percentage change in maximum ambulance rates was computed utilizing the three methodologies: Option 1 = 1.8% Option 2 = 1.2% Option

3 = 5.4%. (Note that these changes are for a single year only and are not comparable to the 5.9% increase which is cumulative over a three year period.)

HCA is also requesting the Board consider delegating authority to HCA for calculating and adjusting future rates, as is done in some other counties, such as Los Angeles County and San Bernardino County. If the Board decides to delegate this authority to the HCA, ~~HCA~~the Agency will come back to the Board ~~at the next scheduled meeting in January 2012 for approval of~~ with an Ordinance change proposal based on the methodology selected at today's meeting.

Your Board also asked HCA to: (1) document the current emergency response model and compare it to other counties, (2) provide the Board with a history as to how cities and the OCFA select their ambulance providers and (3) research mandates relating to OCFA's issuance of Requests for Proposals for ambulance services. HCA has begun work to address these items which will be presented to your Board at a future date.

The Health Care Agency requests that your Board approve the attached updated fee schedule for Ambulance Service Rates, consider a future methodology, and consider delegating authority for future rate calculation and implementation to HCA as referenced in the Recommended Actions.

Revised Exhibits/Attachments (attached)

Additional Information and/or Correspondence (attached)

ATTACHMENT

RESOLUTION OF THE BOARD OF SUPERVISORS OF

ORANGE COUNTY, CALIFORNIA

December 13, 2011

WHEREAS, the Health Care Agency is proposing to update the maximum Basic Life Support (BLS) emergency ground ambulance rates as specified in Section 314 of the Ambulance Rules and Regulations as authorized under Division 9, title 4 of the Codified Ordinances of the County of Orange; and

WHEREAS, on September 11, 2007, the Board of Supervisors approved a new methodology for determining BLS Emergency Ground Rates for the following categories: emergency basic life support, expendable medical supplies, oxygen, mileage, and standby time; and

WHEREAS, this Board has conducted a Public Hearing to update the maximum BLS ambulance rates affecting the unincorporated areas of Orange County and the Cities within Orange County that have adopted the County's Ambulance Ordinance, and the maximum ALS paramedic assessment and transport reimbursement fee applicable to the OCFA jurisdictional areas (excepting San Clemente, Westminster, and Buena Park).

NOW, THEREFORE, BE IT RESOLVED that effective December 13, 2011 this Board hereby establishes BLS emergency ground ambulance rates and the ALS paramedic assessment and transport reimbursement fee for OCFA jurisdictional areas (excepting San Clemente, Westminster, and Buena Park), and hereby rescinds Resolution No. 08-075 dated June 17, 2008, as follows:

BLS Emergency Ground Ambulance Rates:

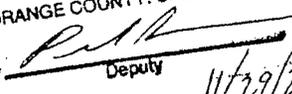
- (1) Emergency BLS Base Rate \$711.50
- (2) Mileage (per patient mile or fraction thereof) \$ 16.50
- (3) Oxygen (when administered) \$ 80.50
- (4) Standby time (per 15 minutes after the first 15 minutes and any fraction thereof) \$ 39.75

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Ambulance Service Rates

(5) Expendable medical supplies (maximum per response) \$ 31.75

ALS Paramedic Assessment and Transportation Reimbursement Fee for OCFA Jurisdictional Areas (excepting San Clemente, Westminster, and Buena Park):

ALS Paramedic Assessment and Transport \$376.75

APPROVED AS TO FORM
OFFICE OF THE COUNTY COUNSEL
ORANGE COUNTY, CALIFORNIA
By 
Deputy 11/29/2011

Resolution No. _____, Item No. ____
Ambulance Service Rates