



# COUNTY OF HUMBOLDT

For the meeting of: 6/25/2019

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File #: 19-828

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**To:** Board of Supervisors

**From:** DHHS: Public Health

**Agenda Section:** Consent

**SUBJECT:**

Request to Increase Ambulance Fees for Service Area 1 (Northwestern Humboldt County)

**RECOMMENDATION(S):**

That the Board of Supervisors:

1. Approve and authorize an increase in billing rates for ambulance services provided in Service Area 1 (Northwestern Humboldt County).

**SOURCE OF FUNDING:**

Private Revenues

**DISCUSSION:**

County Code Title V - Health and Safety Division 5, Emergency Medical Services System, Section 551-6 Ambulance Service Rates requires that all rates of the schedule shall remain effective until any rate changes are amended or approved by the Board of Supervisors.

On March 23, 2019, Arcata-Mad River Ambulance, Inc. contacted the Humboldt County Health Officer requesting a rate adjustment to its current fee schedule for Service Area 1, which covers the northwestern portion of Humboldt County as defined in the Humboldt County Health and Safety Code, Title V, Emergency Medical Services System, Standards of Ambulance Equipment and Operations, Section 551-9 (c). The last request for a rate adjustment for this service area was approved by your Board on September 13, 2016 (Item C-8).

Arcata-Mad River Ambulance, Inc. is requesting the increase with the intention of offsetting significant increases in employee wages and declines in revenue related to call volume.

Under new company ownership starting in 2017, the daily pay structure was changed, resulting in increased payroll costs by approximately 26%. Annual cost of living adjustments of 3% a year further increased payroll and related expenses by \$35,000. In addition, as state minimum wage increases, pay scales need to be adjusted to ensure competitive wages.

Arcata-Mad River Ambulance, Inc. does not receive subsidies for providing emergency and non-emergency ambulance service. Since 2012, the percentage of patients covered by commercial insurance has declined from 17% to 11%. Transport volume declined by 7% from 2017 to 2018, reducing revenue by an estimated \$80,000.

Arcata-Mad River Ambulance, Inc. has provided service in Humboldt County for over 50 years, and has been an integral part of the county's emergency medical services system since its inception in 1976.

This request was reviewed by the Humboldt County Health Officer. Supporting financial documentation was provided to the Auditor-Controller for an analysis. The Auditor-Controller reviewed the detailed financial records pertaining to the ambulance services provided by Arcata-Mad River Ambulance, Inc. and supports the proposed rate increase.

Accordingly, the Department of Health and Human Services (DHHS) - Public Health recommends that your Board approve the proposed rate increase. This will help to ensure that the highest level of emergency transportation service continues to be available for residents and visitors in Service Area 1.

FINANCIAL IMPACT:

The request before your Board will increase Arcata-Mad River Ambulance, Inc.'s fees for specific services ranging from 14% to 75% for insurance and private pay clients. The proposed increase does not affect the Medi-Cal and Medicare reimbursement rate and is anticipated to affect about 11% of patients covered by private commercial insurance within their service area. Reimbursements are provided directly to the Arcata-Mad River Ambulance, Inc.

DHHS-Public Health issues the annual renewals for ambulance permits for Humboldt County. Pursuant to the Board-adopted fee schedule, fees associated with reviewing ambulance rate increases are \$149. In addition ambulance companies are responsible for an annual renewal fee of their ambulance permit totaling \$196. These revenues are received by budget unit 1175-400 - Public Health Administration. The ambulance rate fee increase request before your Board today will not affect those fees received by DHHS - Public Health. There is no impact to the county General Fund or the Public Health Fund.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by protecting vulnerable populations and providing community-appropriate levels of service.

OTHER AGENCY INVOLVEMENT:

N/A

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board could choose not to authorize and approve this request, however this is not recommended. To do so would impact Arcata-Mad River Ambulance, Inc.'s ability to address recruitment and retention issues of paramedical staff.

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ATTACHMENTS:

Arcata-Mad River Ambulance, Inc.'s rate increase request, with current and proposed ambulance rate schedules, dated March 23, 2019

PREVIOUS ACTION/REFERRAL:

Board Order No.: C-8

Meeting of: September 13, 2016

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