

March 23, 2019

Donald Baird, M.D.
Humboldt County Public Health Officer
529 I Street
Eureka, CA 95501

Dear Dr. Baird,

In accordance with the requirements of §551-6 of the Humboldt County Ambulance Ordinance, we are seeking an increase in rates charged for ambulance services within Zone #1. Our last rate increase became effective September 13, 2016. The proceeds of the rate increase will offset significant increases in employee wages and declines in revenue related to call volume.

Ambulance Wages

Following the sale of the company in December 2017 the daily pay structure was changed resulting in an increase of guaranteed hours paid from 20 per day to 24. The additional hours were all paid at an overtime rate. This change alone increased payroll costs by approximately 26%. Annual cost of living adjustments of 3% a year further increased payroll and related expenses by \$35,000 per year. Although all employees had been paid at rates higher than the minimum wage, the significant annual increases in that rate have put further upward pressure on all wage rates.

Revenue

Arcata-Mad River Ambulance receives no subsidy for providing emergency and non emergency ambulance service. All our revenue is derived from fees for service and is highly dependent on the payer mix of our patient population. The proposed rate increase will have no effect on the 71% of our patients covered by Medicare and Medi-Cal as those rates are set by fee schedules. They will also have little effect on patients who are not covered by insurance and have no ability to pay. The new rates are anticipated to only apply to the 11% of our patients covered by private commercial insurance. This number is further reduced by those covered by worker's compensation insurance and some federal insurance programs, such as Tricare, as reimbursement rates from those programs are tied to the Medicare fee schedule.

Transport volume declined by 7% from 2017 to 2018 reducing revenue by an estimated \$80,000.

Rates - Arcata-Mad River Ambulance

	Current rates	Proposed rates
ALS/BLS Base Rate for all emergency responses	\$1,495.00	\$2,088.00
Mileage – ALS/BLS per mile	21.95	38.50
Oxygen	70.00	80.00
Night Call 1900-0700	100.00	100.00
BLS Non-Emergency Base Rate	450.00	600.00
ALS-2 Base Rate	1,710.00	2,360.00
SCT	1,710.00	3,000.00
Standby time per 15 minutes	45.00	60.00
Cardiac Monitor (incl. in base except for Medi-Cal)	50.00	50.00
Isolette	100.00	100.00
Spinal Immobilization	100.00	130.00
Extrication/Off Road Rescue	115.00	150.00
Emergency Response Fee	200.00	250.00

Comparison of our proposed rate to rates of other services in the region:

	Arcata-Mad River (proposed)	Del Norte Amb.	Trinity Co. Life Support	K'ima:w Med. Ctr. (Hoopa)	City Ambulance
ALS Base	\$2,088.00	\$2,031.00	\$2,000.00	\$1,900.00	\$1,960.00
Mileage	38.50	46.80	\$35.00	30.40	25.00
BLS Base	600.00	1,326.00	1,500.00	1,400.00	600.00

Arcata-Mad River Ambulance is dedicated to providing the best possible ambulance services to northwestern Humboldt County. This rate increase will allow us to maintain and continue to improve our quality service at a price commensurate with ambulance rates in surrounding counties.

If any further information or documentation is needed, please contact me.

Thank you.

Respectfully submitted,



Douglas J. Boileau, Director.

Enclosure: \$149 application fee