



PORTLAND FIRE & RESCUE



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REPORT TO COUNCIL

December 19, 2012

To: Randy Leonard, Commissioner of Public Safety
From: Erin A. Janssens, Fire Chief

Subject: Accept the Report on Budget Note on Billing for Emergency Medical Services

The FY 2012-13 Adopted Budget Notes states:

Billing for Emergency Medical Services

Portland Fire & Rescue will evaluate the feasibility of charging fees for emergency medical calls. The bureau will report findings to Council by November 30, 2012.

INTRODUCTION

Portland Fire & Rescue (PF&R) is an all-hazards first response organization that responds to all types of emergency incidents in the community, including fires, emergency medical service (EMS), hazardous materials, and technical and marine rescues. Our mission is to aggressively and safely protect life, property, and the environment.

PF&R has provided EMS first response since the 1970s, and EMS has become a vital and integrated component of the services we provide. The EMS call volume increased 28%, from approximately 38,700 to 49,600 calls a year, over the past 10 years. During this same period, PF&R has experienced substantial ongoing budget reductions, totaling over \$7 million. PF&R is facing another significant reduction in FY 2013-14. Through an FY 2012-13 budget note, Council directed PF&R to evaluate the feasibility of charging fees for emergency medical calls to address the budget challenge.

In response to the budget note, PF&R has conducted a preliminary feasibility evaluation. This report will identify the following:

- Fire departments' critical role in EMS first response;
- PF&R's EMS call volume and incident types;
- EMS first response fees and anecdotal experiences of other fire departments;
- Pros and cons of charging for EMS first response; and
- Additional areas for further study.

FIRE SERVICE-BASED EMS

EMS is one of the essential public safety functions provided by fire departments across the country in support of community health and security demands. Fire service-based EMS systems are strategically positioned to deliver time critical response and effective patient care. Almost all

fire departments in the United States provide EMS response using existing fire station infrastructure, fire apparatus, and cross-trained, multi-role firefighters. As a result of their training, expertise, equipment, and community-based station networks, fire departments are capable of simultaneously securing a scene, mitigating multiple hazards, triaging, extricating, treating and decontaminating (if necessary). Some fire departments also provide ambulance or transport services, while some departments utilize a private provider or another public agency for patient transportation support. Time efficiency is also a key component of EMS systems, and firefighters are uniquely trained and prepared to handle any situation that may arise at a scene including Advanced Life Support (ALS) and Basic Life Support (BLS) patient care. There is no other type of service provider more capable of rapid multi-faceted response than a fire-based EMS system¹.

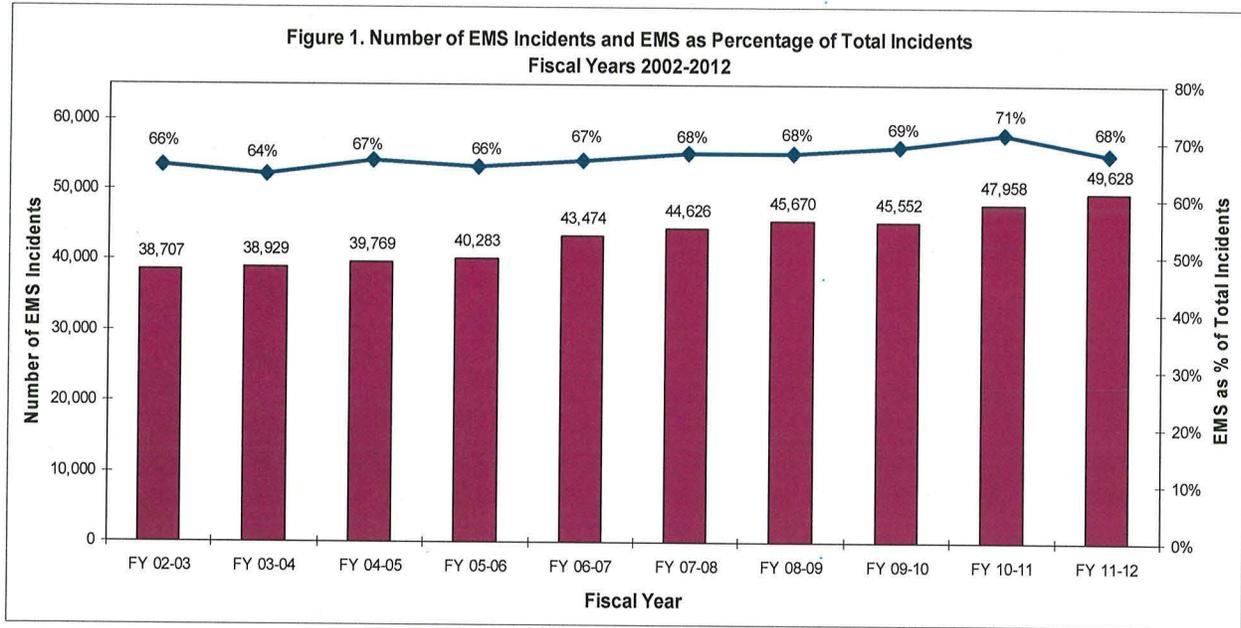
PF&R is a critical part of the Multnomah County EMS system, in which PF&R provides first EMS responses, while a private contractor, American Medical Response, is contracted to provide 9-1-1 transport through June of 2015. The County provides medical supervision of fire and ambulance paramedics and enforces consistent standards and objectives for emergency care. Multnomah County also monitors and enforces ambulance response times and maintains contracts for EMS first responders or fire departments county-wide.

According to the EMS intergovernmental agreement between Multnomah County and the City (PF&R), the County reimburses PF&R for all supplies and medications used for EMS first response. The County also provides PF&R a minimum of two Lifepak 15 deliberators each year and reimburses PF&R for expenses incurred for participating in joint paramedic training. The County reimbursements for PF&R's EMS response total approximately \$450,000 each year.

PF&R EMS CALL VOLUME

In FY 2011-12, PF&R responded to 49,628 EMS calls, which accounted for approximately 68% of PF&R's total incident call volume. Figure 1 shows the number of EMS incidents and EMS as a percentage of total incidents from FY 2002-23 through FY 2011-12. While the EMS call volume has gradually risen, the percentage of EMS over total incidents has stayed relatively stable over the past ten fiscal years.

¹ Franklin D. Pratt, Paul E. Pepe, Steven Katz, David Persse, 2007, "Prehospital 9-1-1 Emergency Medical Response: the Role of the United States Fire Service in Delivery and Coordination."



EMS CALL TYPES

PF&R responds to a wide variety of EMS incidents. The types of EMS incidents that PF&R responded to in FY 2011-12 are broken down in Table 1. Most of these EMS incidents could have had severe and negative consequences if PF&R had not responded within minutes.

**TABLE 1. PF&R RESPONSES BY EMS TYPE NATURE CODE
FY 2011-12**

TYPE NATURE CODE	COUNT	TYPE NATURE CODE	COUNT
Trauma	8,190	Back Pain	481
Breathing	7,116	Allergies	457
Chest Pain	6,281	Pregnancy	375
Sick	5,685	Headache	311
Unconscious	4,846	Behavior	273
Traffic Accident	3,859	Tazer	110
Abdominal	2,883	Eye	105
Seizure	2,845	Animal Bites	80
Overdose	2,590	Heat-Cold	76
Assault	2,307	Burns	57
Unknown	2,224	Max Train Accident	18
Diabetic	1,596	Drowning	10
Stroke	1,565	Electrocution	8
Bleeding	507		
Total: 49,628			

While on EMS calls, firefighters often conduct home evaluations such as checking smoke alarms, eliminating trip hazards, and providing fire safety tips. EMS calls are often PF&R's only mechanism to interact with the elderly and other "vulnerable" populations.

EMS FIRST RESPONSE FEES

Many fire departments have historically offered EMS without charging a service fee, unless the patient was transported to a hospital. Where fire departments also provide transport services, they all charge transport fees typically ranging between \$400 to \$1,200, depending on the level of care, such as ALS and BLS.

Some fire departments have also charged fees for EMS first response in an effort to recoup a portion of EMS costs, from medical insurance companies and direct users of the service. These fees are typically charged for responding to EMS calls irrespective of patient transport. An EMS user may also be charged for first response fees in addition to the transport fees charged by the fire department (or the ambulance company) if transport services are provided. Finally, some fire departments use subscription fee programs, in which participating households or businesses make relatively small payments to avoid large special service fees if they actually use EMS services.²

EXPERIENCES OF OTHER JURISDICTIONS

PF&R has gathered information from other fire departments' websites to determine whether they charge fees for EMS services. The results are listed in Table 2.

The first section of the table includes fire departments referenced in the rapid response vehicle staffing and deployment review study conducted by TriData in December 2011 for the City of Portland. Some of the departments provide ambulance services while some do not. All fire departments listed that provide ambulance services charge transport fees. However, none of these cities' fire departments in the first section of the table charge for EMS first response. The second section of the table includes San Antonio, TX and Anaheim, CA for comparison. Both charge fees for EMS first response.

² U.S. Fire Administration, FEMA, FA-331/April 2012, "Funding Alternatives for Emergency Medical and Fire Services."

TABLE 2. EMS FEES OF COMPARABLE FIRE DEPARTMENTS				
	Population Served	Square Miles	Fire Dept Provides Ambulance/Transport	EMS-1st Response Fees
Cities Used for Comparison in the TriData Study				
Charlotte, NC	756,000	300	No	No
Denver, CO	598,000	155	No	No
Fresno, CA	550,000	336	No	No
Las Vegas, NV	610,000	133	Yes	No
Oklahoma City, OK	500,000	621	No	No
Sacramento, CA	450,000	144	No	No
Seattle, WA	609,000	84	Yes	No
Tucson, AZ	487,000	195	Yes	No
Two Cities Having EMS first Response Fees				
San Antonio, TX	1,326,000	467	Yes	Yes
Anaheim, CA	341,034	50	No	Yes
Portland, OR	584,000	152	No	No

Case Study: City of Anaheim, California

The Anaheim Fire Department charges a \$350 response fee per person for each medical aid call. It also offers a Paramedic Membership Program to residents and businesses within the city of Anaheim service area. As an alternative to paying a service response fee, the Paramedic Membership Program allows Anaheim residents and business owners the option of paying \$36 a year rather than being charged the \$350 per response. By becoming a member, residents also authorize the fire department to bill their private health insurers and/or Medicare or Medicaid.

For a residential account, the subscription fee covers EMS first response for all who reside in the account address anywhere in the city of Anaheim, 24 hours a day. The fee also covers those who have a medical emergency while visiting a member's home. For a business account, the program covers fire department response costs for all employees working in Anaheim for the participating business. An exemption program is also available for residents who earn less than \$25,000 a year. Each exemption must be renewed annually³.

Case Study: San Antonio, Taxes

The San Antonio Fire Department charges whenever EMS personnel are called out for an EMS response, even if the patient is not transported. This non-transport charge averages \$90 per EMS response.⁴

³ Anaheim Fire Department Paramedic Membership Program: <http://www.anaheim.net/article.asp?id=372>.

⁴ San Antonio Fire Department EMS Billing Policies and Fees: <http://www.sanantonio.gov/safd/emsbilling.asp>.

PROS AND CONS OF CHARGING FOR EMS FIRST RESPONSE

Pros

- Charging for EMS first response would generate additional revenues to offset a portion of EMS first response costs.
- Like other user fees, EMS first response fees would shift some of the EMS costs to individuals, including non-residents, who use the service.
- The fees could also encourage people to take precautionary and preventive measures to avoid unnecessary EMS calls.

Cons

- Charging for EMS first response could create a strong disincentive for citizens to use the 9-1-1 system, which was established for the safety of the public. This could lead to people not using the system, worsening illness or injuries or resulting in preventable deaths due to delays in receiving timely on-site EMS care.
- Charging for EMS first response would have a negative equity impact. Fire service-based EMS is a major part of the safety net of the healthcare system and may be the last resort for the economically disadvantaged and other vulnerable populations. The EMS fees could prevent individuals from receiving necessary EMS care due to their inability to pay.
- EMS calls are often PF&R's only mechanism to make contact with the elderly and the other "vulnerable" populations. Thus, by charging for EMS incidents, it may reduce our opportunity to prevent future incidents.
- Portland residents may resist EMS first response fees, assuming that they have already paid for service through their property taxes.
- Insurance companies may not cover EMS first response fees and the EMS billing collection rate could be very low compared to other user fees.
- It would take an extended period to achieve adequate community outreach, fee schedule design, billing and collection preparation, as well as notification and marketing. As a result, this potential future revenue stream would likely not be able to mitigate the current budget shortfall.

ISSUES FOR FURTHER STUDY

A further study would be needed to fully explore the feasibility of PF&R charging for EMS first response. Such a study should investigate or address:

- If, and how, PF&R's EMS first response fees can fit within the existing Multnomah County EMS system;
- How the Patient Protection and Affordable Care Act impacts the feasibility and design of charging for EMS first response;

- How charging for EMS first response would impact the equity issue or the service provision to the economically disadvantaged and other vulnerable populations;
- How other fire departments have implemented EMS first response fees, and their lessons and experiences;
- What the revenue potential would be if EMS first response fees were charged; and
- How charging for EMS first response could be designed and implemented, including community outreach and marketing, billing and collection, should Council decide to establish EMS first response fees in Portland.

CONCLUSION

EMS first response is an essential and integral component of the core services that PF&R provides for people who live, work, and visit in Portland and the surrounding areas. EMS first response will be increasingly important given the high number of uninsured citizens, rising health care costs, and an aging population that often require more frequent services. Charging fees for EMS first response has strong pros and cons and would certainly have a significant impact on the equity of City service provision, the County's EMS system, and PF&R's service delivery. This preliminary analysis does not reach a definite conclusion on the feasibility and impact of charging for EMS first response.

We recommend that Council accept the report.

Erin A. Janssens, Fire Chief

TO THE COUNCIL

The Commissioner of Public Safety concurs with the recommendations of the Chief of Portland Fire & Rescue and

RECOMMENDS:

That the Council accept the report.

Respectfully submitted,

Randy Leonard
Commissioner of Public Safety

Agenda No.
REPORT NO.
Title

Accept the Report on Budget Note on Billing for Emergency Medical Services (Report)

<p style="text-align: center;">INTRODUCED BY Commissioner/Auditor: Commissioner Randy Leonard</p>	<p>CLERK USE: DATE FILED <u>DEC 14 2012</u></p>
<p style="text-align: center;">COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard <i>RL</i></p>	<p style="text-align: center;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p style="text-align: center;"><i>[Signature]</i> By: _____ Deputy</p>
<p style="text-align: center;">BUREAU APPROVAL</p> <p>Bureau: Portland Fire & Rescue Bureau Head: Erin A. Janssens, Fire Chief <i>[Signature]</i></p> <p>Prepared by: Carol Ann Boucher Date Prepared: 12/11/2012</p>	<p>ACTION TAKEN:</p> <p>DEC 19 2012 ACCEPTED</p>
<p>Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p>Council Meeting Date December 19, 2012</p>	
<p>City Attorney Approval: required for contract, code, easement, franchise, charter, Comp Plan</p>	

AGENDA

TIME CERTAIN
Start time: _____

Total amount of time needed: _____
(for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed: _____
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz ✓	
2. Fish	2. Fish ✓	
3. Saltzman	3. Saltzman ✓	
4. Leonard	4. Leonard ✓	
Adams	Adams ✓	