

DATE ISSUED: October 26, 2005

REPORT NO. 05-216

ATTENTION: Public Safety and Neighborhood Services Committee

SUBJECT: Emergency Medical Services (EMS) Program -
Change in Average Patient Charge

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

BACKGROUND

In 1996, the City Council directed the redesign of the City's Emergency Medical Services System. This redesign resulted in a system which was configured to provide optimal EMS service to citizens while establishing fiscal viability of the system to ensure continued service.

The EMS system consists of two primary providers of service – the transportation component provided by San Diego Medical Services Enterprise, LLC (SDMSE) and the first responder component provided by the San Diego Fire-Rescue Department (SDFD). Through the EMT-Paramedic Services Agreement, the County of San Diego grants authority to the City to provide EMT-Paramedic services within the boundaries of the City, and adjacent jurisdictions through mutual and automatic aid agreements. In addition, the Agreement requires the appointment of an EMS Program Manager to serve as liaison between the various agencies operating within the service area and to provide independent oversight of the EMS system. The administration and oversight of the Agreements with SDMSE, SDFD and the County are the responsibility of the EMS Program Manager who is organizationally located in Financial and Management Services.

DISCUSSION

SDMSE through the San Diego Fire-Rescue Department (SDFD) and Rural/Metro of San Diego work together to provide EMS services to the citizens of the City of San Diego. SDMSE is currently in its ninth year of operation.

The Third Amended and Restated Agreement between San Diego Medical Services Enterprise, LLC and the City of San Diego (City Agreement) and, the Third Amended and Restated Agreement between San Diego Medical Services Enterprise, LLC and Rural Metro of San Diego, Inc (Rural Agreement) went into effect on December 1, 2004. Section 10.2.2 of the City Agreement and Section 10.6.2 of the Rural Agreement allow for an annual increase in the maximum average fee per transport. The minimum baseline for any increase is the combined Medical and Transportation CPI, for the most recent twelve (12) month calendar period. As of July 1, 2005, the current maximum average fee or Average Patient Charge (APC) for medical transportation originating from the 9-1-1 service is set at \$829.00 (gross).

In Fiscal Year 2006, SDMSE has experienced a significant cost increase in City of San Diego fringe benefit charges. Section 10.2.3 of the City Agreement and Section 10.6.3 of the Rural Agreement allow for adjustments to the APC, above the annual Consumer Price Index (CPI) increases, to reflect increases in costs beyond the control of SDMSE.

Fringe Benefits - In the Fiscal Year 2006 Budget, the City’s fringe benefit rates were adjusted resulting in an increase of approximately \$239,227 to Fire-Rescue department classifications which perform work on behalf of SDMSE. The majority of the increase can be attributed to an increase in retirement costs.

The following is a breakdown of increased cost and the effect on the APC:

	<u>FY 06</u> <u>Impact</u>	<u>APC</u> <u>Effect</u>
Fringe Benefit Rates	\$239,227	\$12.00

In an effort to support the additional cost, effective October 1, 2005, the maximum average fee or APC for medical transportation originating from the 9-1-1 service was increased to \$841.00 (fees may be higher or lower based on the level of service rendered). In accordance with the agreements, this increase has been reviewed and approved by the City of San Diego EMS Program Manager. No action is required by the City Council. This change represents an increase of approximately 1.4%.

During Fiscal Year 2005 and Fiscal Year 2006, SDMSE has also experienced significant increases in the cost of fuel. It is anticipated that this issue will be addressed later in the Fiscal Year as additional information regarding actual expenses becomes available.

Respectfully submitted,

Donna Goldsmith
Emergency Medical Services Program Manager

Approved: Lisa Irvine
Deputy City Manager

GOLDSMITH/DG