

## EMS Revenue Recovery and Fee Waiver Policy

### 1. PURPOSE

- a. To establish a policy for revenue recovery and fee waiver or reduction of costs associated with providing the City of Merced's (City) EMS program.

### 2. DEFINITIONS

- a. Advanced Life Support (ALS): This term is defined in Health and Safety Code section 1797.52.
- b. Basic Life Support (BLS): This term is defined in Health and Safety Code section 1797.60.
- c. Electronic Patient Care Report (ePCR): A patient care report, as defined in Merced County Emergency Medical Agency Policy No. 540, in an electronic format. An ePCR is an electronic health record, within the meaning of Health and Safety Code section 1797.227, created for each patient by Fire Department staff at the time of service. The report is used to relay information between the responding unit and the receiving hospital staff. The report serves as documentation of the treatment provided.
- d. Emergency: This term is defined in Health and Safety Code section 1797.70.
- e. Emergency Medical Services (EMS): This term is defined in Health and Safety Code section 1797.72. EMS includes Fire Department responses to provide ALS, BLS, and treat-not-transport patient care.
- f. Fee Waiver: the forgiveness of all of a patient's owed City Council approved EMS user fees, based on a formalized criteria and processes as outlined in this policy.
- g. Fee Reduction: the forgiveness of a portion of a patient's owed City Council approved EMS user fees, based on a formalized criteria and processes as outlined in this policy.

### 3. BACKGROUND

- a. As demand for EMS increases within the community, City responds to requests for service. General patient acuity has risen, and City is advancing to ALS. As costs for ALS services continue to increase, the revenues generated by fees for service have not grown proportionally. The City is challenged to recover fee for service revenues due to several different reasons, one of them being payer mix. The City payer mix is generally 35 percent Medicare, 50 percent Medicaid (Medi-Cal), and 10 percent commercial insurance with the remainder being from self-insured/self-pay however the numbers do vary year to year. In addition, there are federally mandated write-offs which allow the City to collect only a small percentage of the actual billed amount from Medicare and Medicaid. In an effort to maximize reimbursements and cover direct costs the City has pursued additional recovery options.

- b. On October 7, 2019, AB 1705 authorizing the Public Provider Intergovernmental Transfer Program (PP-IGT), was approved by the Governor, and filed with the Secretary of State. It provides for the reimbursement of transports of Medi-Cal patients who are not in managed care.
  - c. On August 7, 2023, the Council approved the ALS fees for service (Resolution 2023-64) to address cost recovery for the cost of providing services and the revenue collected for those services.
  - d. (PLACEHOLDER FOR IGT/PP-GEMT).
  - e. While the City can assure the continuation of fee for service revenues, revenue recovery programs such as PP-GEMT and IGT are subject to the availability of state and federal funding.
4. EMS FEE RECOVERY POLICY
- a. The EMS Program shall be fully offset by fees generated by services provided. All revenues recovered for the provision of EMS services shall be used to cover direct and indirect costs to reduce the General Fund subsidy for this program.
  - b. PP-GEMT and IGT revenues received in excess of the Fire Department's approved General Fund revenue budget, during the fiscal year, shall be committed for future appropriations for the Fire Department.
5. EMS FEE WAIVER POLICY
- a. The City Manager or the City Manager's designee may waive all or a portion of the EMS fees established by City Council as provided herein.
  - b. In no event shall any person be denied EMS services because of their inability or failure to pay the charges incurred for services provided.
  - c. Procedures:
    - i. Fee Waiver Application:
      - 1. An applicant or applicant's legal representative may submit a completed Fee Waiver Application with adequate supporting documentation to the Fire Department for review and consideration. The Fee Waiver Application shall be on a form prescribed by the City Manager or the City Manager's designee.
      - 2. Fire Department staff, through assistance from a contracted billing company, will use reasonable research methods to confirm the validity of the information provided.
      - 3. Upon completion of the application review process above, the contracted billing company will notify all applicants as instructed by the Fire Chief or the Fire Chief's designee.
      - 4. Fee waiver applications and supporting documentation will be retained in accordance with the City's Record Retention Policy.
  - d. Fee Waiver Conditions and Options:

- i. **Financial Hardship.** A fee waiver may be granted in circumstances where a financial hardship is demonstrated. The determination of a financial hardship shall be based on the most recent Federal Poverty Level (FPL) chart provided by the Department of Health and Human Services (HHS). The Fire Chief may grant a waiver, reduction, or payment plan to applicants that demonstrate a financial hardship.

### **HHS Poverty Guidelines for 2023**

<b>Household Size</b>	<b>Poverty Level (100% Waiver)</b>	<b>2x Poverty Level (50% Reduction)</b>	<b>3x Poverty Level (25% Reduction)</b>
<b>1</b>	\$14,580	\$ 29,160	\$ 43,740
<b>2</b>	\$19,720	\$ 39,440	\$ 59,160
<b>3</b>	\$24,860	\$48,720	\$ 74,580
<b>4</b>	\$30,000	\$60,000	\$90,000
<b>5</b>	\$35,140	\$70,280	\$105,420
<b>6</b>	\$40,280	\$80,560	\$120,840
<b>7</b>	\$45,420	\$90,840	\$136,260
<b>8</b>	\$50,560	\$101,020	\$151,580

Note: For families/households with more than 8 persons, add \$5,140 for each additional person. Poverty Levels will be updated annually.

The current poverty information is available at:

<https://aspe.hhs.gov/poverty-guidelines>.

1. **Waiver or Reduction:** The Fire Chief may approve a full waiver or partial reduction of the remaining balance after all insurance payments have been posted based on the applicant's ability to pay the remaining balance. Reductions may range from 25% to 50% based on the applicant's financial hardship as reflected above.
  2. **Payment Plan:** The Fire Chief may offer a low-cost monthly payment plan in lieu of, or in addition to, a reduction for applicants that have a verified financial hardship.
- ii. **Services Provided.** A waiver may be granted in circumstances where the level of response or services provided do not justify application of the charges incurred. Such determination shall be

based on the contents of the applicable ePCR or one or more of the following circumstances:

1. The call for service did not require response by Fire Department apparatus including an ambulance, engine company, or truck company;
  2. Treatment or care provided to the applicant was at a lower level than the defined levels of ALS and BLS service;
- iii. The applicant did not initiate the call for service, and the applicant refused care.

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