



City of Merced Fire Department  
Derek Parker, Fire Chief

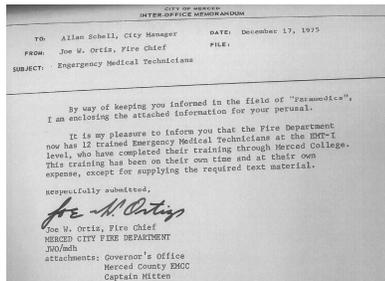
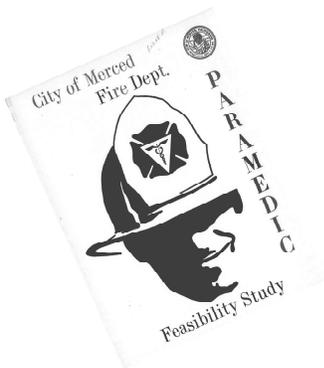
# Merced Fire Department First Responder Fee Study

First Responder Fee

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## Merced Fire Department - History

- MFD began providing medical services in 1974
- Paramedic feasibility study completed in 1975



First Responder Fee

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## Merced Fire Department - History



### CONCLUSION

It is our firm conviction that this study clearly indicates that the implementation of a paramedic unit in the community is not only feasible, but clearly needed and also practical. The statistics and information alone point to as many as one thousand and more citizens benefitting annually from this form of emergency medical care.

Statistical information can be used as a guide when available; however, we have no statistics as to the many unfortunate people who, because of their low and moderate income, wait to summon help only as a last resort simply because they cannot afford these emergency medical services. These waiting circumstances can create irreparable damage to a person if not checked immediately. In most of these cases, these persons either drives or are driven by their relatives or neighbors to reach the medical services needed. The loss of time here can be irrevocably dangerous.

We sincerely believe that this community cannot afford to be without these emergency medical services.

1974 MFD Paramedic Feasibility Study

First Responder Fee

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## Merced Fire Department – EMS



- Responded to 12,084 calls in 2021
  - 61% of calls were medical in nature
- Responded to 4,289 calls in 2003
  - 44% of calls were medical in nature
- Responding to medical aid requests is not a statutory obligation for the department, but a secondary service
- These services require funding and billing is allowable due to non-statutory mandate
- City residents find value in receiving medical services
- To mitigate financial burden, MFD is requesting to begin medical billing to acquire alternative resources to support continuing medical services

First Responder Fee

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# Merced Fire Department – First Responder Fee



- June 2022 First Responder Fee Study completed
- AP Triton completed the study
- 13 recommendations were cited



First Responder Fee

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# Merced Fire Department – First Responder Fee



- There is an existing First Responder Fee which is supposed to be administered by the ambulance contractor per the RFP

### First Responder Fees

Contractor shall agree to provide first responder fee that will bill a set fee for all first responder events where there is an ambulance transport and pass the net collected amount per event (less billing costs) to the first responder agency. The fee to be billed will be \$125.00 per transport. The Contractor will use prudent and normal industry billing standards for billing the fees. The method for invoicing, collecting and distributing the fees shall be stated in the proposal.

Merced County RFP | Exclusive Operating Area  
Provider for Emergency Ambulance Service

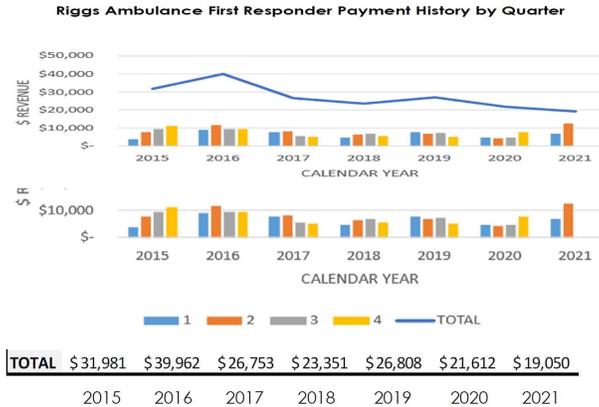
First Responder Fee

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# Merced Fire Department – First Responder Fee



Figure 11: Payment History of LEMSA Mandated Fees



First Responder Fee

AP Triton First Responder Fee Feasibility Study

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# Merced Fire Department – First Responder Fee



## Emergency Medical Services

The Contract for the EOA held by Riggs Ambulance and the County of Merced, states (on page 25 of the RFP):

### 4.18 First Responder/PSAP Training and Coordination First Responder Fees

*“Contractor shall agree to provide first responder fee that will bill a set fee for all first responder events where there is an ambulance transport and pass the net collected amount per event (less billing costs) to the first responder agency. The fee to be billed will be \$125.00 per transport. The Contactor will use prudent and normal industry billing standards for billing the fees. The method for invoicing, collecting, and distributing the fees shall be stated in the proposal.”*

First Responder Fee

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# Merced Fire Department – First Responder Fee



Figure 20: Calculation of Total Cost of First Responder Services Per EMS Incident

Expenses	FY 21/22 Projected
Total Number of EMS Responses (minus cancelled)	7,358
Total Hours Committed to EMS Response	3,145
*Additional Hours for Report Preparation (@ 30 min/incident)	4,088
EMS Training Hours	553
Total EMS Related Hours	7,786
Average Company Hourly Rate	\$183.51
Costs of Providing EMS Services	\$1,428,809
Other EMS Related Costs	\$1,666,700
Dispatch Costs	\$915,712
Total Costs to Provide EMS Services	\$4,011,222
Billing and Administration Costs @ 12%	\$481,324
<b>Total Costs</b>	<b>\$4,492,545</b>
<b>Cost Per EMS Incident to Provide Services</b>	<b>\$610.57</b>

First Responder Fee

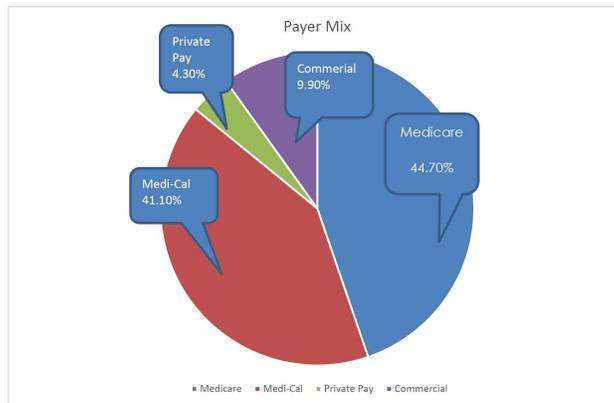
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# Merced Fire Department – First Responder Fee



Figure 10: City of Merced Payer Mix (FY 19/20)



First Responder Fee

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# Merced Fire Department – First Responder Fee



Figure 21: Calculation of Estimated Revenue from First Responder Fee Billings

Description	Amount
Total Calculated Cost of Providing First Responder Fee Services (including new billing fees)	\$4,492,365
Cost per Incident for Providing First Responder Services (total calculated cost divided by 7,358 EMS incidents)	\$610.57
<b>Estimated Collections Based on Per Incident Rate</b>	
<b>Private Pay</b> (7,358 total EMS incidents x 4.30% Payer Mix x 12% collection = 38 private pay incidents x \$610.57 cost per incident)	\$23,202
<b>Commercial Insurance</b> (7,358 total EMS incidents x 9.90% Payer Mix x 100% collection = 729 commercial insurance incidents x \$610.57 cost per incident)	\$445,106
<b>Potential Collection from First Responder Fees at 80%</b>	<b>\$379,287</b>

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# Merced Fire Department – First Responder Fee



- Who else has a FRF?
    - Sanger
    - Corona
    - Pine Valley
    - Loma Linda
    - Montclair
    - La Habra Heights
    - Kirkwood
    - San Bernardino
    - Sunshine Summit
    - San Ramon
    - Folsom
  - Novato
  - Albany
  - Glendale
  - Burbank
  - Sacramento Metro
  - Sacramento
  - Cosumnes
  - Moraga-Orinda
  - Huntington Beach
  - Anaheim
  - Costa Mesa
  - Chula Vista
- How much is the average FRF?
    - Fees range from \$300 to \$825 per response

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## Merced Fire Department – First Responder Fee



- How will revenue be utilized?
  - Advanced Life Support (ALS) education
  - ALS equipment
  - ALS pay for employees



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## Merced Fire Department – First Responder Fee



### RECOMMENDATIONS

The following section includes a list of recommendations that Triton believes would contribute to improving the ability of the City to recover additional costs related to the provision of EMS first responder services by the Fire Department.

First Responder Fee

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## Merced Fire Department – First Responder Fee



- The City of Merced should consider and accept the First Responder Fee study as provided by AP Triton.
- The City should consider implementing the First Responder Fee as identified in this study and determine an FRF rate that is appropriate and acceptable, after considering all aspects of the impact to the City. A preliminary assessment indicates a First Responder Fee of approximately \$610.57 per call could be charged that, when applied to the commercial insurance portion of the payer mix and using an 80% collection factor, would result in approximately \$379,287 in additional revenue to the agency.
- The City should consider implementing the First Responder Fee as identified in this study and determine an FRF rate that is appropriate and acceptable, after considering all aspects of the impact to the City. A preliminary assessment indicates a First Responder Fee of approximately \$610.57 per call could be charged that, when applied to the commercial insurance portion of the payer mix and using an 80% collection factor, would result in approximately \$379,287 in additional revenue to the agency.

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## Merced Fire Department – First Responder Fee



- The FRF calculation should be reviewed at least every three years to ensure the rate remains appropriate.
- The City should evaluate the capacity of its administrative staff to determine if the FRF billing and collection system can be performed in-house. Should the evaluation reveal the capacity is not sufficient, there are several third-party contractors that provide those services for a fee.
- The City should consider adopting a liberal waiver policy for those with an inability to pay.

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## Merced Fire Department – First Responder Fee



- The City should ensure that a component of the billing process be an annual billing increase based on applying the most recent increase in the Consumer Price Index (CPI).

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## MFD Objectives



- Contract with 3<sup>rd</sup> party biller through RFP
- Bill commercial insurance products for First Responder Fee
- Establish policy to withhold billing Medi-Cal, Medicare, and Private Party Merced City residents
- Establish a Compassion Waiver policy
- Community outreach efforts to educate on outcomes of new program

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First Responder Fee

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## How Can the Tax Transparency Commission Help?

- Fire Apparatus Replacement Program
  - Designated funding for fire apparatus



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First Responder Fee