



## Legislation Text

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*Report Prepared by: Derek Parker, Fire Chief, Fire Department*

**SUBJECT:** Fire Department First Responder Fee Information Session

### REPORT IN BRIEF

Presentation of the feasibility report from EMS Consultant AP Triton who researched a First Responder Fee. Similar First Responder Fees are utilized to support EMS operations in fire departments across California.

### RECOMMENDATION

**Tax Transparency Commission** - Adopt a motion to accept this presentation as information only.

### ALTERNATIVES

1. Approve, as recommended by staff; or,
2. Deny; or,
3. Continue to a future meeting (date and time to be specified in the motion).

### DISCUSSION

With the uncertainty of Measure C, the Fire Department is balancing the need for increasing the service to the public in the face of a deteriorating EMS system versus the financial impacts of standing up a new service. The Fire Department was given the charge to increase the public's safety considering the uncertainty of EMS transport response times. The self-sustainability of a program outside of Measure C would have to be established. By utilizing a FRF, which is already administered but correcting the flaws in its administration, MFD can repurpose the new revenue for new equipment, incentives for personnel, and response to new incident types which will improve patient outcomes.

On November 8, 2022, Commissioner Harris requested for the Fire Department to give a presentation on the "First Responder ALS funding" measures. Merced Fire Department (MFD) has proposed a change in business practice to how the current First Responder Fee is administered. For clarity, MFD is not proposing a "First Responder ALS Fee" as MFD does not operate (Advanced Life Support) ALS personnel on a regular basis. A First Responder Fee (FRF) is being administered by the local ambulance contractor and has been for many years. The FRF is identified as part of the Merced County EMS Agency Request for Proposal (RFP) as section 4.18. The current RFP was awarded to Sierra Emergency Medical Service Alliance (SEMSA) in 2020. The FRF which developed in the early 2000's had no formulary basis. Additionally, no escalator such as a CPI was added.

A FRF is assessed to patients who are transported to a hospital. The first responders, in our local case that is the City of Merced Fire Department, can recover the costs associated with providing EMS care regardless of service level. In 2021 MFD received \$41,397 and in 2022 MFD received

\$23,513 in FRF revenues through the local EMS contractor. The Merced Fire Department is a Basic Life Support (BLS) agency as the only two (2) current paramedics are not line staff. The administration of a FRF does not require any advanced life support (ALS) first response capability. Additional cost recovery for treat-no transport (TNT) is currently recovered by the local ambulance contractor as well. Like the FRF, a TNT is to recover the costs associated with providing care to individuals who are not transported to the hospital. This is an important factor as MFD is experiencing a higher number of citizens who are self-transporting rather than waiting extended periods of time for ambulance response.

The components of the formula to determine the FRF include, but are not limited to, the cost of the employee, the time on task of medical evaluation, EMS equipment costs, EMS equipment maintenance, EMS training required hours, the cost of required EMS training, and the cost of EMS certification. EMS consultant AP Triton created a feasibility report and within Figure 20 (page 39) and Figure 21 (page 40) which cites \$610.57 as a recommended FRF based upon calculations.

Important to note, MFD does not deploy first responders to all EMS calls for service within the response area. Due to the increased ambulance response times and negative patient outcomes which can be derived from such response, MFD is preparing to deploy to the calls which are not currently responded to. This additional call volume will create additional revenue but will more importantly provide a better service for our citizens.

Revenue is generated by billing insurance products. Not all insurance products will pay for FRF and TNT. FRFs can be assessed to Commercial Insurance products (Blue Shield, Aetna, Kaiser, etc) and are relatively good payers. FRF can be assessed to federal insurance products (Medicare and Medicaid, Medi-Cal in California) but due to Centers for Medicare and Medicaid Services (CMS) rules for payment, FRF is not covered, and providers cannot bill recipients as a "balance bill." The final category is a Private Pay, and it is not a feasible and prudent request to bill those individuals without financial assistance and a compassion billing policy is required to waive those FRF. In the setting of a TNT Commercial Insurance and federal insurance products do contribute to payment of TNT response. AP Triton estimates revenues of \$379,287 at an 80% collection rate of Commercial Insurance.

MFD does desire to transition to ALS service however the two items, FRF and ALS service delivery, should not be combined in thought. MFD has taken steps to establish the infrastructure to have a successful ALS service. MFD has applied for FEMA Assistance to Firefighter Grants (AFG) for communications and education. In 2021 MFD was awarded over \$600,000 for all-band radios which include the hospital UHF frequency where future paramedics will be able to contact the hospital for base hospital and physician contact at any time. In 2022 MFD received an AFG grant for ALS training for 12 persons. At the conclusion of the grant in 2025 the 12 new ALS members will be on fire apparatus responding to emergencies as Paramedics. MFD has submitted an additional AFG grant in 2023 for the purchase of eight (8) new ECG monitors with 12-lead ECG, defibrillation both automatic and manual, synchronized cardioversion, non-invasive blood pressure monitoring, pulse oximetry, carbon monoxide saturation, and modem transmission of data to a cloud server. Lastly, in 2023 MFD has applied for a FEMA Staffing for Adequate Fire and Emergency Response (SAFER) grant for up to \$8.9MM for 24 persons to increase staffing, add paramedics, and prepare for opening a Bellevue Ranch station. MFD will continue to apply for grant opportunities to relieve the financial burden new programs present.

Given the Tax Transparency Commission's responsibilities we appreciate the willingness and desire to support MFD. FRF is not a tax, it is an existing fee utilized within the community for many years. Support in delivery of ALS soon will positively impact our community's patient outcomes. Vehicles for patient transportation will be new to MFD and \$300,000 is recommended for the City Manager's Budget for FY 23/24.

## **ATTACHMENTS**

1. Merced First Responder Fee Study FINAL
2. FRF\_Presentation\_Council\_082522
3. HSC\_13916
4. RFP 7310 Ambulance EOA 2020-2025
5. MFD\_TaxTransparencyCommission\_05923