

July 20, 2021

LOS ANGELES FIRE DEPARTMENT



RALPH M. TERRAZAS
FIRE CHIEF

June 28, 2021

BOARD OF FIRE COMMISSIONERS
FILE NO. 21-063

TO: Board of Fire Commissioners

FROM:  Ralph M. Terrazas, Fire Chief

SUBJECT: PROPOSED EMERGENCY AMBULANCE TRANSPORT SERVICES
FEE INCREASE FOR FISCAL YEAR 2021-22

FINAL ACTION:	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved w/Corrections	<input type="checkbox"/> Withdrawn
	<input type="checkbox"/> Denied	<input type="checkbox"/> Received & Filed	<input type="checkbox"/> Other

SUMMARY

Section 22.210.2 of the Administrative Code instructs the Fire Chief, in cooperation with the Office of the City Administrative Officer, to review the rates for Emergency Ambulance charges and to make recommendations for modification to the City Council on a yearly basis.

The attached report on the Proposed Emergency Ambulance Transport Services Fee Increase was submitted to City Council on June 28, 2021 for approval.

The report recommends an increase in the Emergency Ambulance Services fees as follows:

- 1) Increase the Advanced Life Support (ALS) fee from \$2,463 to \$2,625 (+6.58%)
- 2) Increase the Basic Life Support (BLS) fee from \$1,747 to \$1,862 (+6.58%)
- 3) Maintain the Mileage rate from \$20 to \$20 per one-way mile (+0%)

RECOMMENDATION

That the Board:
Receive and file this report.

Board report prepared by Ngozi Mbamalu, Senior Management Analyst II, Bureau of Administrative Services.

Attachments

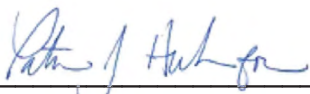
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T R A N S M I T T A L

TO The Los Angeles Fire Department	DATE 06-25-21	COUNCIL FILE NO. ---
FROM The City Administrative Officer	COUNCIL DISTRICT All	

**Proposed Emergency Ambulance Transport Services
fee increase for FY 2021-22 for the Los Angeles Fire Department**

In accordance with the Los Angeles Administrative Code, Article 4 Medical Services Division Section 22.210.2(b)(c), the Fire Chief shall have authority to set rates providing ambulance and helicopter transport services to members of pre-paid health plans for the purpose of providing patients transportation directly to a designated hospital. The Fire Chief in cooperation with the Office of the City Administrative Officer (CAO) shall at intervals of not more than one year review the schedule of charges and recommend to the City Council any changes or modification. After review of the transmittal, the CAO concurs with the Los Angeles Fire Department on the proposed fee increase for the Advanced Life Support, Basic Life Support, and mileage rates, which represent a full recovery of City incurred costs to provide these services.



Richard H. Llewellyn, Jr.
City Administrative Officer

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[HTTP://WWW.LAFD.ORG](http://www.lafd.org)

June 10, 2021

The Honorable City Council
City of Los Angeles
c/o City Clerk
Room 360, City Hall
Los Angeles, CA 90012

Honorable Members:

FY 2021-22 Emergency Ambulance Transport Services Fee Increase

In accordance with the Los Angeles Administrative Code, Article 4 Medical Services Division Section 22.210.2, the Fire Chief, in cooperation with the City Administrative Officer, shall have authority to set rates providing ambulance and helicopter transport services, at intervals of not more than one year, review the schedule of charges and recommend to the City Council any changes or modification.

A recommendation for an increase in the fees for emergency ambulance transport services is submitted for your consideration in compliance with the City's financial policy of full cost recovery. The recommendation is based on the most recent cost analysis and has been reviewed and concurred by the City Administrative Officer.

RECOMMENDATIONS

It is recommended that the City Council, subject to approval of the Mayor:

1. Increase the Advanced Life Support (ALS) fee from \$2,463 to \$2,625 (+6.58%).
2. Increase the Basic Life Support (BLS) fee from \$1,747 to \$1,862 (+6.58%).
3. Maintain the Mileage rate from \$20 to \$20 per one-way mile (+0%).
4. Request the City Attorney to amend the Los Angeles Administrative Code Section 22.210.2 Schedule of Charges for Emergency Service table to reflect the changes in the ALS and BLS rates.

FINDINGS

The Los Angeles Fire Department (LAFD) is committed to providing outstanding emergency medical services, fire protection services, and fire prevention services to the citizens of the City of Los Angeles. The LAFD is ready to respond to emergencies and disasters 24-hours a day, 365 days a year. Resources dedicated to respond to emergency medical service type incidents are staffed by LAFD firefighters trained as Emergency Medical Technicians and/or Paramedics. These resources include paramedic rescue ambulances, basic life support ambulances, assessment engines, and assessment light forces.

The cost of the Emergency Medical Service (EMS) Program consists of direct and indirect costs including salaries, supplies, and expenses related to operations of the EMS Program. These costs will determine the emergency ambulance transport service fees. The EMS Program consists of 100 percent of the costs for paramedic rescue ambulances and basic life support ambulances, and the proportional costs for engine companies that respond to emergency medical incidents.

On June 23, 2020, the Council approved the 2020-21 ambulance transport rate increase. At the time of this approval, ambulance transport rates had not been increased since September 12, 2015. The 2020-21 fee increase was implemented on January 18, 2021 after Council approved the ordinance that amended the Los Angeles Administrative Code to update the Schedule of Charges for Emergency Services to increase BLS and ALS fees on December 1, 2020. The fee increase was expected to generate an additional \$9.0 million in revenue if implemented on July 1, 2020. However, the Mayor's Safer at Home emergency order and COVID-19 pandemic impacted emergency ambulance billing revenues.

Based on the FY 2020-21 field platoon duty personnel (direct costs) and the approved Cost Allocation Plan (CAP) 41 rates (indirect costs), the annual cost of the EMS program amounts to \$416.2 million. In order to recover the cost of the Emergency Medical Service Program, the ALS and BLS fees must be increased to \$2,625 and \$1,862, respectively. This calculation was based on an average of 172,583 billable transports. In comparison, the rates for the Los Angeles County as of July 1, 2021 will be \$2,550 for ALS, \$1,702 for BLS transports, and \$19 per mile.

The table below summarizes the current LAFD and proposed Emergency Ambulance Service fees for fiscal year FY 2020-21 and reflect a 6.58 percent increase in the ALS and BLS fees for FY 2021-22.

Emergency Ambulance Transport Service	LAFD Current Rates as of Jan 18, 2021	LAFD Proposed Rates for FY 2021-22	Percent Increase
ALS Fee, per transport	\$2,463	\$2,625	6.58%
BLS Fee, per transport	\$1,747	\$1,862	6.58%
One-Way Mileage, per mile	\$ 20	\$20	0%

REVENUE

The proposed fee increase would result in additional receipts of \$1.4 million annually. However, given the six-month timeline for amending the ordinance, the estimated implementation date is January 1, 2022. Therefore, the increase in the ALS and BLS rates is projected to be \$700,000 for EMS transports in FY 2021-22.

FISCAL IMPACT

The Los Angeles Fire Department will continue to monitor and report on the Emergency Ambulance Transport fee for services to ensure that rates meet full cost of operations. Revenue from this fee increase will be deposited into Revenue Source Code 4451 Emergency Ambulance Services. The 2021-22 Adopted Budget of \$78.7 million includes \$700,000 for six-months of anticipated receipts. Revenue projections assume that the City has fully resumed operations and COVID-19 restrictions have been lifted. The recommendations stated in this report comply with the City's Financial Policies in that the City will charge a fee for service where permitted and feasible. There is no additional impact on the General Fund.

Respectfully submitted,

RALPH M. TERRAZAS
Fire Chief

Attachments

Los Angeles Fire Department**FY2020-21 EMERGENCY MEDICAL SERVICE PROPOSED FEE ANALYSIS**

Total cost to provide Emergency Ambulance Transport Services	FY 2019-20 Allocated Cost	FY 2020-21 Allocated Cost
EMERGENCY MEDICAL SERVICES:		
Personnel and Expenses	\$363,911,649	\$368,336,704
FIRE SUPPRESSION:		
Engine	\$30,532,022	\$37,489,337
Light Force	\$11,056,515	\$10,396,164
*Total EMS Costs:	\$405,500,186	\$416,222,205
	Mileage	-\$13,047,275
	Total Program cost less mileage	\$403,174,930
* This consists of 100-percent of EMS Program, 8.27 percent of Engines, 3.51 percent of Light Forces and excludes readiness time. Costs include servicing all transports and non-transport services.		

LAFD Current Rate Allocation (Eff. January 18, 2021)	Estimated Reimbursement - Current Allocation/Rates		Estimated Billable Transports	Current Rates
Advanced Life Support (ALS)	\$263,969,562	69.79%	107,174	\$2,463
Basic Life Support (BLS)	\$114,269,523	30.21%	65,409	\$1,747
Total Emergency Services	\$378,239,085	100.00%		

LAFD Proposed Rate Allocation (Eff. January 1, 2022)	Estimated Reimbursement - Proposed Allocation/Rates		Estimated Billable Transports	Proposed Rates
Advanced Life Support (ALS)	\$ 281,372,058	69.79%	107,174	\$ 2,625
Basic Life Support (BLS)	\$ 121,802,872	30.21%	65,409	\$ 1,862
Total Emergency Services	\$403,174,930	100.00%		