

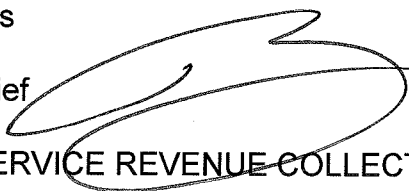


BRIAN L. CUMMINGS
FIRE CHIEF

May 15, 2013

BOARD OF FIRE COMMISSIONERS
FILE NO. 13-071

TO: Board of Fire Commissioners

FROM: Brian L. Cummings, Fire Chief 

SUBJECT: EMERGENCY MEDICAL SERVICE REVENUE COLLECTION FOR
FISCAL YEAR 2012-13

FOR INFORMATION ONLY:	<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 Withdrawn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

For Information Only

Receive and file the Department's report on Emergency Medical Services (EMS) revenue collection for Fiscal Year 2012-13.

Summary: The total Adopted Budget Revenue for EMS transports for Fiscal Year 2012-13 is \$95.9 million. This is comprised of \$72.3 million in direct operations revenue and anticipated \$23.6 million revenue reimbursements from AB678.

AB678 is a federal pass-thru State program designed to reimburse fire departments that provide ambulance transportation to Medi-Cal patients. Currently, these costs are absorbed by the General Fund. Through AB678, the City anticipated receiving \$23.6 million this fiscal year for patient transports: \$13 million for January 31, 2010 to June 30, 2011 and \$10 million for July 1, 2011 to June 30, 2012. Because the Center for Medical Services is continuing to review the cost methodology, it is likely that AB678 revenue may not be received by the end of the fiscal year.

On February 20, 2013, the Controller's Office released an audit of AB678 noting that the Fiscal Year 2012-13 LAFD Budget included AB678 revenue as part of the overall ambulance revenue. The audit recommended a separate account for AB678 for proper accounting, tracking, and transparency.

Based on this recommendation, the Department created a new Revenue Source Code (RSC) – “Ground Emergency Medical Transport – 4453.” Revenues received from AB678 will be deposited into this new RSC.

The Affordable Care Act (ACA) will improve the quality of medical care by providing better preventative and wellness services and raising the standards of the quality of basic health care coverage. The regulations are still in process and there is uncertainty about exact impacts on EMS revenue. However, it is expected that there will be no revenue impact in Fiscal Year 2012-13 as the ACA becomes effective January 2014.

Anticipated net revenue for this fiscal year is \$67.3 million based on revenue receipts for July 2012 to March 2013. This estimate is derived from anticipated EMS direct operations gross revenue of \$71.3 million less vendor payments of \$4 million for a net revenue of \$67.3 million.

The Department continues to improve on documentation in the electronic Patient Care Report (ePCR) by providing staff training and creating direct connections with hospitals to allow for the acquisition of missing patient insurance and demographic information required for EMS billing.

Fiscal Impact: These new systems and the fee increase resulted in a net revenue increase of approximately \$14.3 million (see the table below) in the first full year of implementation in Fiscal Year 2011-12 as compared to Fiscal Year 2009-10. The New Billing and Field Data Capture Systems were implemented over several months beginning in Fiscal Year 2010-11.

	Actual FY 2009 - 2010	Actual FY 2010 – 2011	Actual FY 2011 – 2012	LAFD Est. FY 2012 – 2013
Gross Revenue	\$56,757,422	\$67,902,809	\$71,294,111	\$71,287,784
Less Employee Costs	\$ 4,202,543			
Vendor – Costs ADPI & NCO, etc.		\$2,771,493	\$4,427,107	\$3,960,212
Net Revenue	\$52,554,879	\$65,131,316	\$66,867,004	\$67,327,573

Conclusion: The Department will continue to utilize the new systems to maximize revenue. Quarterly updates will be provided to the Fire Commission of progress in meeting the revenue goals for EMS transports.

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