

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2012-18

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL ESTABLISHING A POLICY TO WAIVE AMBULANCE CHARGES/FEEES FOR ACTIVE MEMBERS AND DEPENDENTS AND FORMER MEMBERS WITH DOCUMENTED ACTIVE SERVICE OF 10 YEARS OR MORE WITH THE DILLINGHAM VOLUNTEER FIRE DEPARTMENT AND RESCUE SQUAD

WHEREAS, the fee structure for ambulance services was originally established at the urging of the volunteers; and

WHEREAS, the volunteers recognized the need to establish a way to fund future periodic purchases of new/replacement ambulances; and

WHEREAS, a report dated June 6, 1990 recommended to the City that a fee structure be established; and

WHEREAS, the recommendation also included a provision that fees for ambulance services be waived for current active members and selective former members; and

WHEREAS, the waiver was implemented initially, but eventually lost in subsequent transitions of staff and leadership; and

WHEREAS, the City Council recognizes that emergency services are provided almost exclusively by volunteers; and

WHEREAS, the City Council recognizes that waiver of ambulance fees for volunteers is a significant way of demonstrating the gratitude of the community for the services they provide;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council establishes a waiver of ambulance fees for active members and their dependents as well as former members with documented active service of 10 years of more;

BE IT FURTHER RESOLVED that the waiver is meant to take effect immediately.

PASSED and ADOPTED by the Dillingham City Council on April 5, 2012.

SEAL:



Alice Ruby, Mayor

ATTEST:



Janice Williams, City Clerk

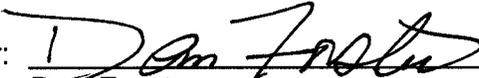
City of Dillingham Information Memorandum No. R2012-18

Subject: A Resolution of the Dillingham City Council establishing a policy to waive ambulance charges/fees for active members and dependents and former members with documented active service of 10 years or more with the Dillingham Volunteer Fire Department and Rescue Squad

Agenda of: April 5, 2012

City Council Action:

Manager: Recommend approval.

City Manager: 
Dan Forster

Route To:	Department / Individual	Initials	Remarks
X	Finance Director / Carol Shade	CS	
X	City Clerk / Janice Williams	JW	

Fiscal Note: Yes ___ No X Funds Available: Yes ___ No ___

Other Attachment(s):

- Report to Members June 6, 1990

Summary Statement.

This resolution was presented to the City's Finance and Budget Committee on February 27, 2012. It was the Finance and Budget Committee's recommendation that the City Council approve the waiver.

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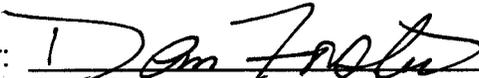
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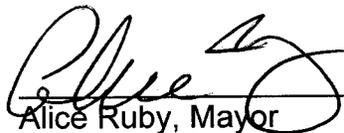
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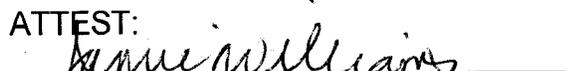
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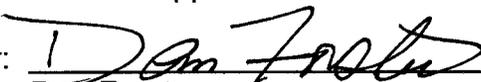
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DILLINGHAM VOLUNTEER FIRE DEPARTMENT AND RESCUE SQUAD
AMBULANCE CHARGE IMPLEMENTATION COMMITTEE
REPORT TO MEMBERS
JUNE 6, 1990

SUMMARY

The Ambulance Charge Implementation Committee recommends that the Dillingham Volunteer Fire Department and Rescue Squad start charging for its ambulance service at a rate of \$150 per patient beginning with the new fiscal year, July 1, 1990. The committee also recommends that the Rescue Squad enter into an agreement with the Bristol Bay Area Health Corporation for billing for services and all receipts be deposited in an interest bearing account managed by the City of Dillingham. Funds would be used only for the periodic replacement of the ambulance. An appropriate policy for the waiving of charges should be established and the Department should commit itself to the long term monitoring and re-evaluation of this fee structure.

BACKGROUND

The Ambulance Charge Implementation Committee was organized to follow up on the recommendations of the Green Ribbon Task Force. That Task Force last year recommended that the Squad start charging for its services and place the funds in an account for continuing capital needs, specifically - periodic replacement of the ambulance.

The Ambulance Charge Implementation Committee was asked to recommend specific steps to put these recommendations into action.

To do this, the Committee held several meetings over the past month in which it collected information and opinions on the subject. The following report summarizes the Committee's findings and recommendations.

REAL COSTS OF SERVICE

The real costs of the Dillingham Volunteer Rescue Squad are difficult to estimate since funds are combined with those of the Fire Department. A good estimate, however, is about \$33,000 per year.

This figure was calculated as a third of the Department's personnel costs, one quarter of the contractual and commodity expenses plus any capital outlay designated for EMS.

For FY 1988, the year for which the best information is available, the cost was calculated at \$32,931.26.

The figures for FY 89 and 90 are somewhat less reliable since capital outlay was not specified, but assuming a level of capital spending similar to 1988, the estimated actual costs were \$31,670.15 and \$32,523.12, respectively.

Additionally, if we are to amortize a \$100,000 ambulance over five years this would require an additional \$20,000 per year, for an average annual expense of about \$53,000 per year.

The Dillingham Rescue Squad responds at approximately 250 calls per year (225 in 1988 and 289 in 1989) which would put the actual costs per call at about \$200.

The actual costs per patient would be somewhat higher since the total number of calls includes a number of non-patient responses such as false alarms, fire stand-bys and the like.

A breakdown of the types of calls for a recent year is included as an appendix to this report.

PROPOSED CHARGES

The Ambulance Charge Implementation Committee recommends a charge of \$150 per patient.

The Committee recommends that a flat charge be charged to all calls, regardless of whether ALS or BLS service was provided, or regardless of such incidental costs as bandages, etc.

It is noted that only a few calls per year can be classified as ALS service. Charging for materials would not only complicate accounting, but the BBAHC, which already provides many of these supplies to us, currently bills the patient for them.

A \$150 charge would be somewhat less than the actual estimated cost per call but the fee at this time is intended to pay to continuing long term capital needs, not the entire service.

Such a fee would be in line with fees charged by other ambulance services in the State. Bethel and Petersburg also charge \$150 per ambulance call. Charges of other ambulance services varied greatly, from \$50 in the Bristol Bay Borough to \$200 in Anchorage. As the Green Ribbon Committee noted in its report, private ambulance services often charge considerably more.

This fee should periodically be re-evaluated by the Rescue Squad and adjusted if necessary.

BILLING AND COLLECTION

There are two basic options for billing for Rescue Squad services. We could either do it ourselves or contract the work out.

There seemed little interest within the department or on the Ambulance Charge Implementation Committee for having our volunteers handle the billing.

Outside the department, there are several options for billing. We could contract the work to a private individual, outside ambulance service, the City or local health corporation.

Of these options, the Ambulance Charge Implementation Committee recommends that contracting with the Bristol Bay Area Health Corporation (BBAHC) would be the best alternative.

The BBAHC offers an established billing system, low overhead cost (\$10-15 per call), and is experienced in dealing with the various insurance agencies and the Indian Health Service.

The BBAHC has agreed to set up a billing system which would be essentially separate but parallel to their own. The BBAHC would prepare a separate bill for the Rescue Squad service which would be included in the same envelope as the BBAHC bill. The BBAHC would absorb any set-up costs for implementing such a billing system.

The proposed BBAHC billing system would allow the Squad flexibility in such things as a waiver policy and would not conflict with any pre-existing agreements regarding miscellaneous supplies.

The proposed billing system should not impose any additional paperwork requirements on ambulance crews in most cases. Squad run sheets would be adequate for billing purposes for the time being. It may, however, be necessary in the future for ambulance crews to provide additional information, such as a patient registration form, in certain cases such as when a patient is immediately med-evaced to Anchorage. There should be few of these cases overall, however.

The BBAHC will later reimburse funds that have been collected from patients, less their administrative fee, to the Squad on a regular (monthly or quarterly) basis.

IHS BENEFICIARIES

Approximately 75 percent of the patients served by the Dillingham Rescue Squad are IHS beneficiaries. Locally, health care is provided them by the BBAHC, which receives funding from IHS.

The BBAHC, however, has not received funds for ambulance service from the IHS and does not have other funds available to pay for this service at this time. Any bills for ambulance service sent directly to IHS are likely to be passed back to the BBAHC.

The BBAHC will request additional funding for this service in their future funding requests, but given budgetary constraints, it may be some time before this service provided IHS beneficiaries is fully funded.

The Squad should be prepared to support the BBAHC in its funding requests with letters to the IHS and Alaska's Congressional delegation.

In the meantime, the Rescue Squad could still collect from non-beneficiaries and insured beneficiaries, which would be approximately 40 to 50 percent of our patients. Approximately 25 percent of IHS beneficiaries have other insurance (Medicare, Medicaid, group plans, etc.)

WAIVER POLICY

The waiving of charges for certain persons is a common practice in many ambulance services. The Ambulance Charge Implementation Committee recommends that the Dillingham Rescue Squad waive any non-insured costs for the following groups:

- 1) Seniors who are medicare or medicaid eligible
- 2) Fatality - instances in which death results from the reason (heart attack, shooting, accident, etc.) for which the ambulance was summoned.
- 3) Active members and their immediate families - defined as the member's spouse and children (up to age 18) or up to two individuals designated in advance.
- 4) Former members with ten or more years active service in DVFD/ERS.

5) economic hardship cases as determined on an individual basis.

FUNDS RECEIVED

The Ambulance Charge Implementation Committee recommends that all funds received for ambulance service be placed in an interest bearing account managed by the City of Dillingham specified as the RESCUE SQUAD AMBULANCE ACCOUNT. Funds in this account would be specifically designated for the periodic funding of a new ambulance. Expenditure of these funds would only be allowed through resolution of the DVFD/RS.

The Ambulance account should be audited by the City of Dillingham as other similar accounts are managed. Additionally, the DVFD/RS treasurer should assume the responsibility of regularly monitoring the billing and collection of these funds by the BBAHC. The treasurer should also monitor the City ambulance account and report at regular (quarterly) intervals to a joint meeting of the DVFD/RS.

The Committee discussed at length whether the Rescue Squad should be allowed to spend any funds in excess of the ambulance repurchasing needs for such things and other EMS capital or training needs or even fire department capital needs.

Committee members, however, had a sharply mixed reaction to the suggestion. All were able to agree that given the uncertainty of the amount of funds that will be received, there should be no provision for spending any surplus money at this time. This recommendation, too, could be re-evaluated at a later date.

IMPLEMENTATION

The Ambulance Charge Implementation Committee requests that DVFD/RS adopt these recommendations by resolution and notify officials of the BBAHC and City of Dillingham. After their consideration and possible modification, the fee system should be put into effect beginning with the new fiscal year.

Prior to that time, a press conference should be held with the local newspapers to discuss the proposed fee structure and our reasons for implementing it.

RESPONSIBILITIES

During the meetings of the Ambulance Charge Implementation Committee, the discussion often centered on certain matters that were not limited to the mechanics of implementing a billing system. Several of these points, such as the need for accurate and complete run sheets, are not meant to imply that there are problems within the existing service. Rather, this step is taken as a sign of our service "growing up," and the Squad's need for even stricter quality control.

If you get what you pay for, it is easy to be tolerant of the shortcomings of a free service. As a paid service, the Rescue Squad assumes new responsibilities to make sure that our patients are getting their money's worth.

1) Patient Care - Nothing in this proposed fee structure is meant to imply that service should be provided on the basis of ability to pay. Receiving funds for our service should improve the quality of our care by providing us with equipment but that care should be provided, as it has in the past, to all those in need, regardless of their ability to pay.

2) Consumer care - As a paid service, the patient is also a consumer and has a right to demand the best service for his or her money. The Squad should be prepared to redouble its efforts to keep the ambulance clean, re-stocked and ready for all emergencies. Likewise, the ambulance should be fully staffed for all calls. Volunteers should take their responsibilities when "on call" seriously and, without exception, be ready to drop whatever they're doing when paged.

3) All Run sheets must be accurate and complete.

4) Non-emergency calls - Based on the experiences of other departments that have implemented a charge system, a fee structure is not likely to reduce the number of nuisance or false alarm calls. It may, however, create a demand for certain non-emergency services (i.e. patient transfers) which people may expect if they are willing to pay for it.

5) Auditing and Control - when dealing with large enough sums to eventually purchase an ambulance, the Squad will have to maintain strict accounting and control over the money to prevent any misappropriation.

6) Monitoring - it should be the responsibility of the Fire Department and Rescue Squad Executive Committee to periodically monitor this fee structure and its many components and implement changes and adjustments when necessary. Close attention should be given to fine tuning the billing system as it is implemented.

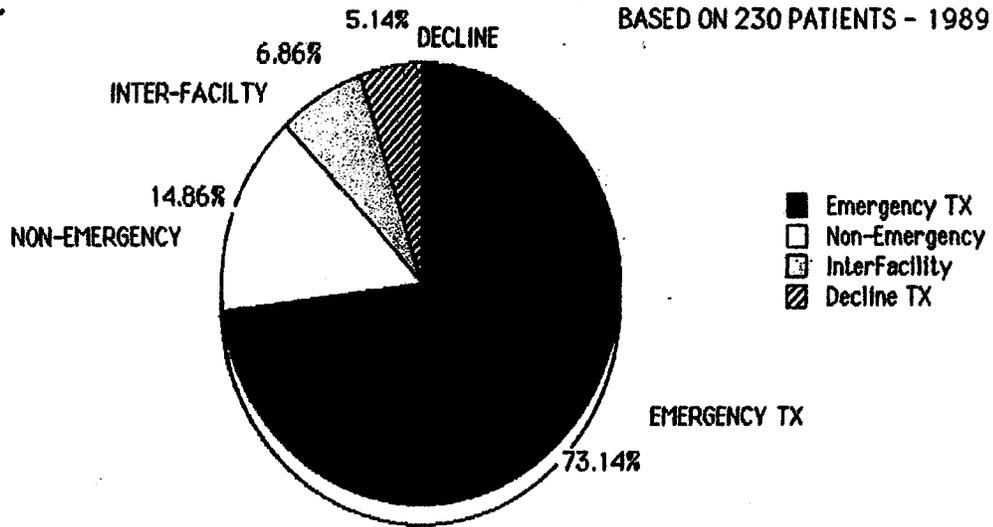
CHAIRMAN'S NOTE

As Chairman of the Ambulance Charge Implementation Committee, I would like to personally thank the hard work of all the other members - Susan Terry, Alice Ruby, Jeanette McArthur and Jann Widmayer. Despite the time constraints for completion of our work, the committee members kept their focus and was able to get quite a bit accomplished in a short time. There was a good, open discussion throughout our weekly meetings. It was a pleasure working with the other committee members.

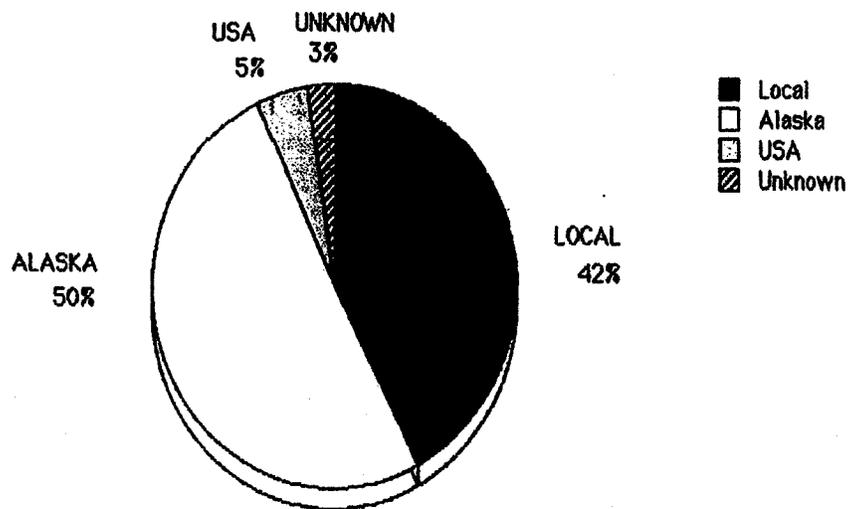
Bob King
Dillingham, Alaska
June 6, 1990

AMBULANCE RUNS - TYPE OF TRANSPORT

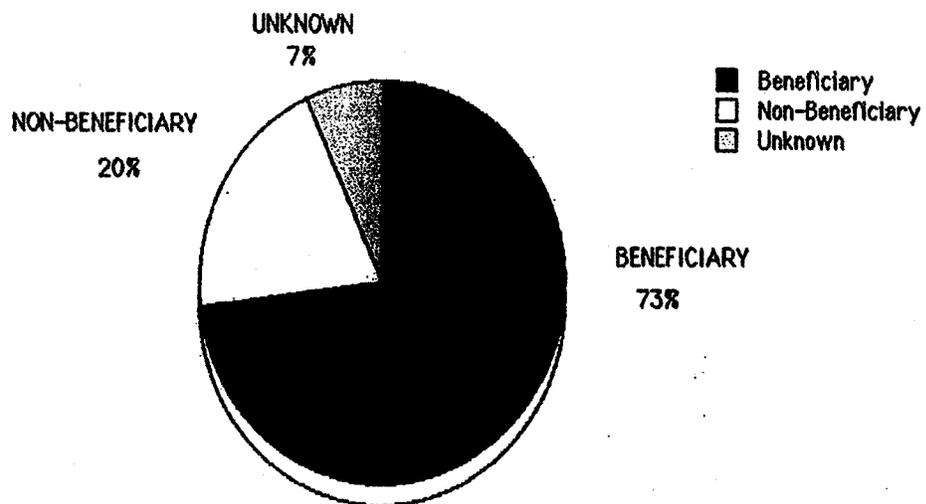
BASED ON 230 PATIENTS - 1989



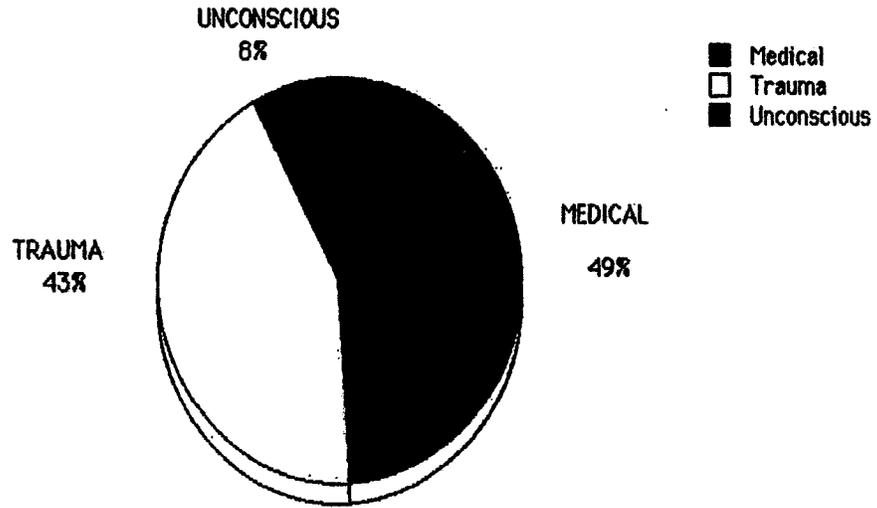
AMBULANCE PATIENT'S RESIDENCE



AMBULANCE PATIENT'S ETHNIC BACKGROUND



AMBULANCE TRANSPORTS - TYPES OF INJURY



% OF MEDIVAC PATIENTS TO OTHER PATIENTS

