



Village of Lombard

2018 Proposed Ambulance Billing Rates



When someone pays property taxes, they are paying for the ambulance to be staffed and available for their use if needed. When someone actually uses an ambulance for an emergency service, there are certain costs that are incurred by the Village and billing the user of the ambulance helps to recoup that cost. User fees/ambulance billing charges these costs to the individuals who use the services.

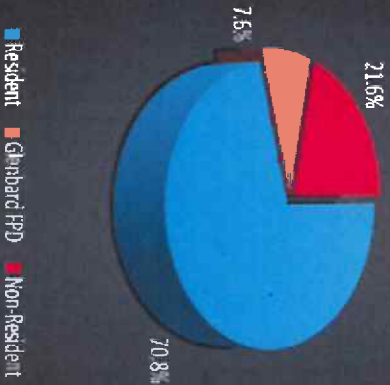


Agenda

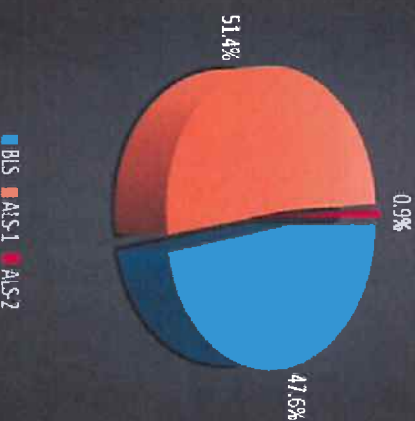
- ▶ Demographics
- ▶ Comparable Data
- ▶ Rate Model Options
- ▶ Finance and Administration (F&A) Committee Recommendations to Village Board on Policy Items
 - Cost Recovery
 - Elimination of Fee Differential between ALS & BLS
 - Resident vs. Non-Resident Rate
 - Out of Pocket Expenses
- ▶ Proposed Village Board Recommendation
- ▶ Implementation Plan

General Demographics

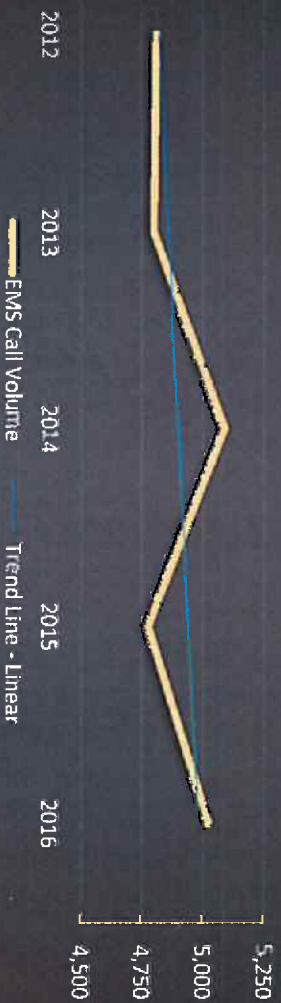
2016 EMS Responses by Residency Status



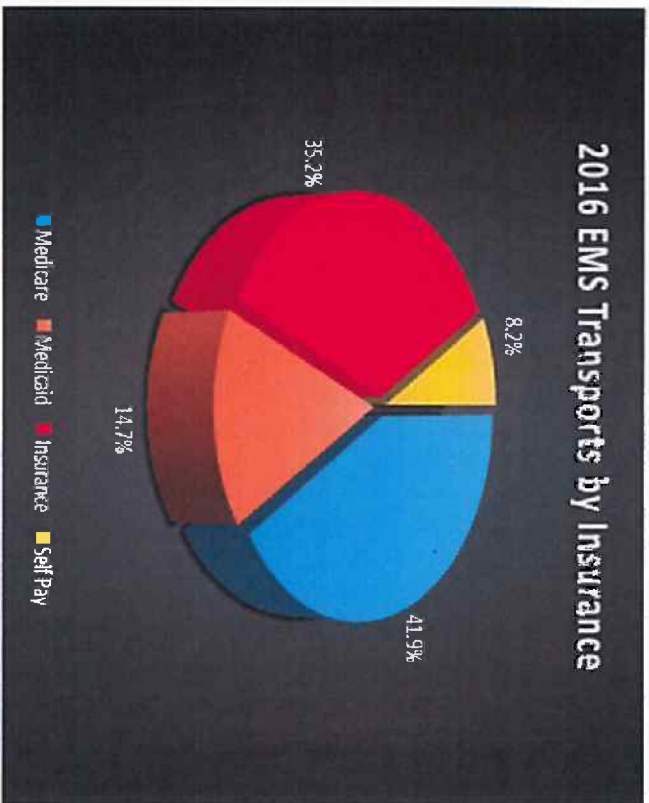
2016 EMS Transports by Level of Services



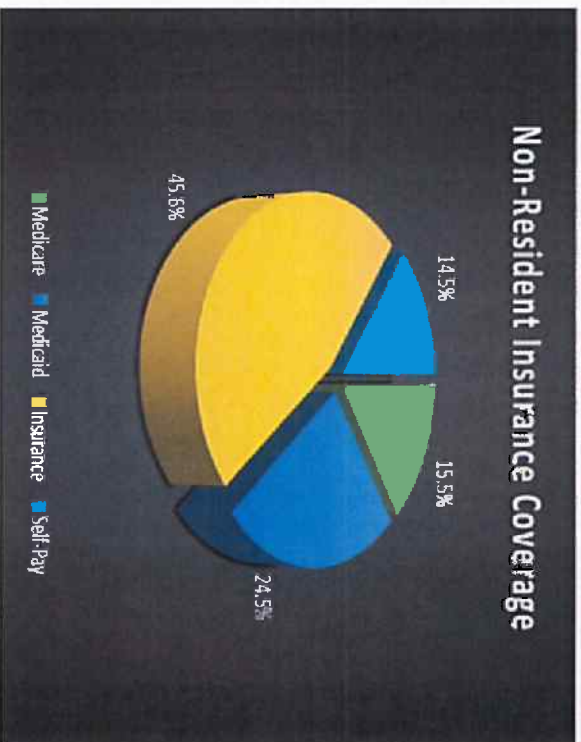
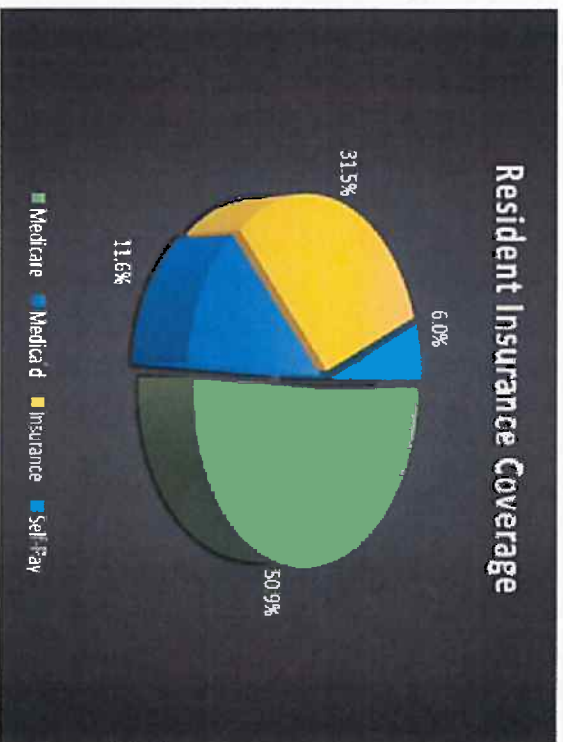
Annual EMS Call Volume for the Village of Lombard



Insurance Demographics

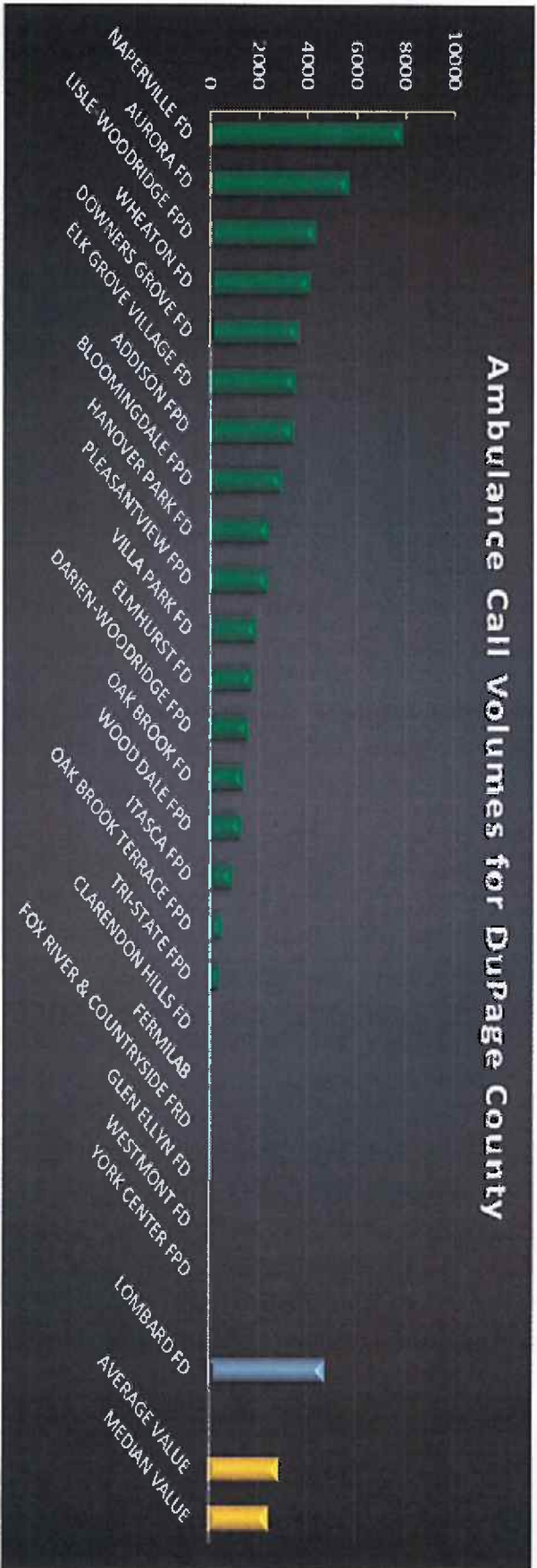


2016 EMS # Transports Billed by Insurance Type	
Medicare	1442
Medicaid	506
Insurance	1213
Self Pay	284
Total	3445

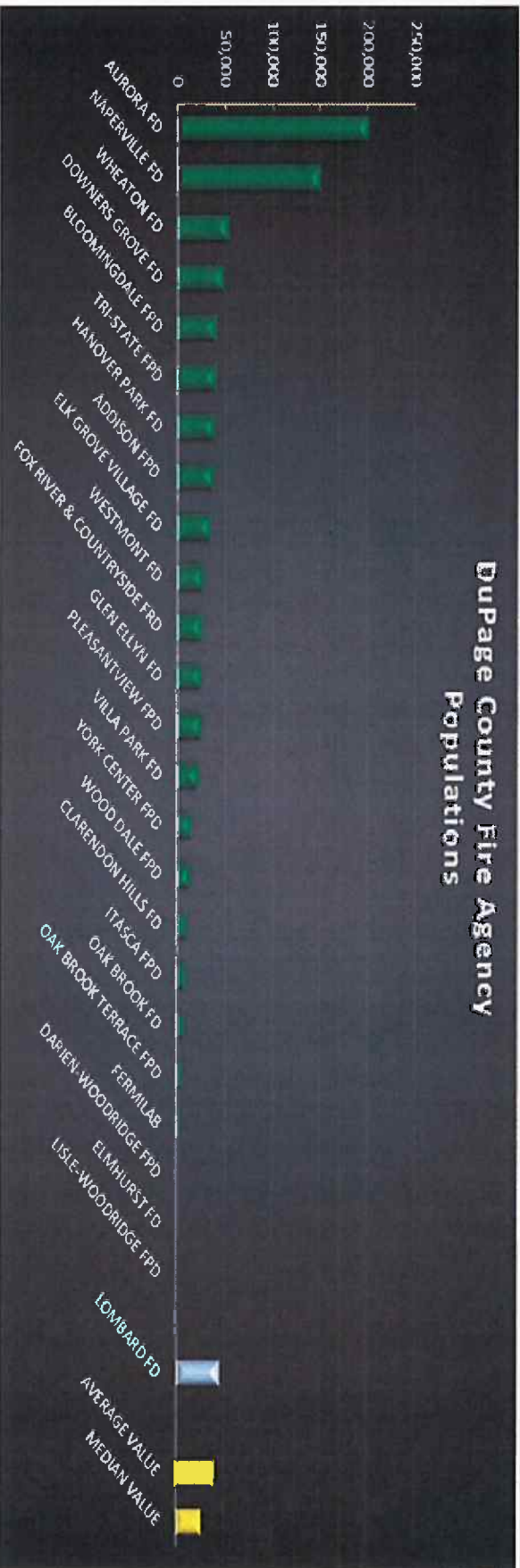


Comparable Call Volume/Population

Ambulance Call Volumes for DuPage County

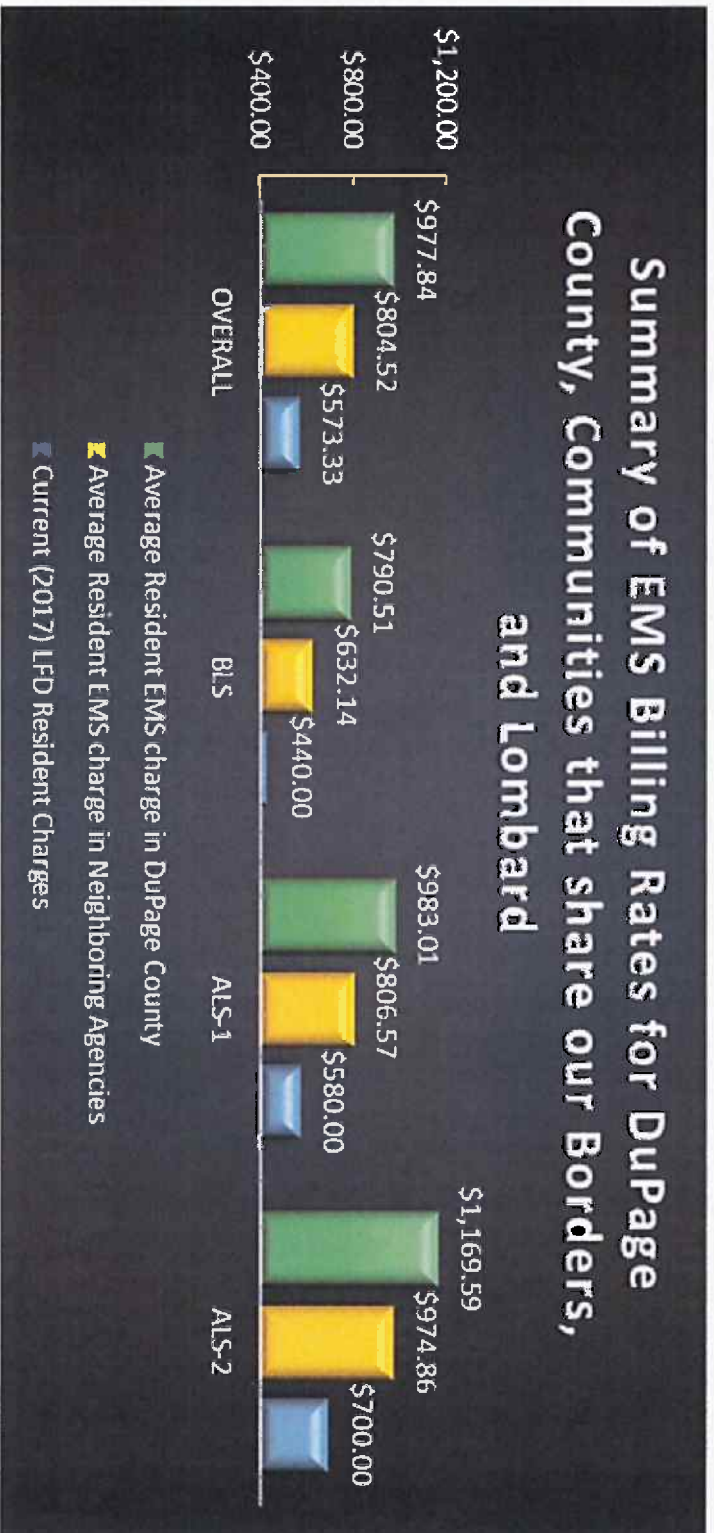


DuPage County Fire Agency Populations



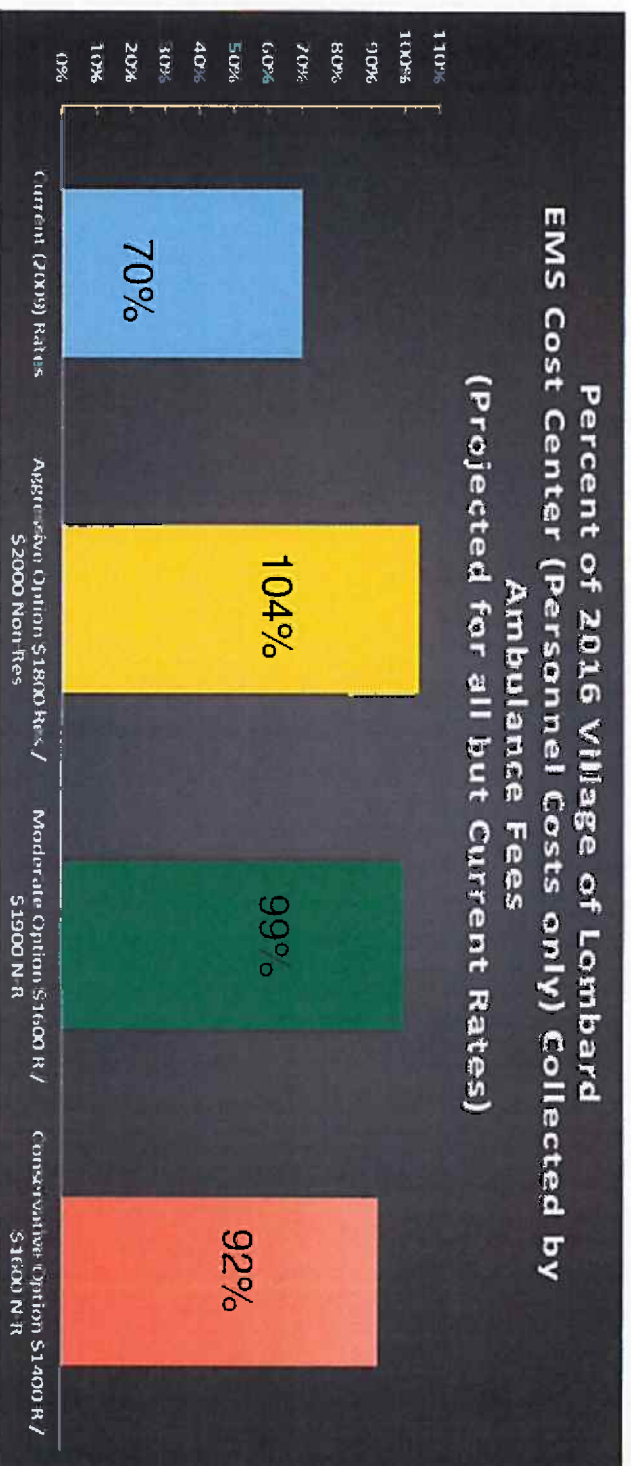
Comparable Rates

Summary of EMS Billing Rates for DuPage County, Communities that share our Borders, and Lombard



- Last EMS rate increase for Village of Lombard was in 2009
- Flat billing is becoming a trend in the fire service
 - One rate for all users and levels of service
 - Flat rates that vary between resident and non-residents
 - Flat rates for the various levels of service provided

Rate Model Options



- In 2016, our charges only recovered about 70% of our EMS personnel costs, not including pension expenses (pension, fleet, and operating costs are subsidized through property taxes and other general fund revenues)
- The Finance and Administration Committee proposed setting the fees using the moderate option which would recover about 99% of our EMS personnel costs, not including pension expenses (pension, fleet, and operating costs are subsidized through property taxes and other general fund revenues)
- Budgeted revenue for FY 2018 is \$1.69M
- Most communities are billing their residents over \$1000 for transports (examples below)
 - Addison charges between \$1275 and \$2100
 - Itasca charges between \$1200 and \$1800
 - Wood Dale charges between \$1200 and \$2000
 - Naperville charges a flat rate of \$1800 and will write off what insurance doesn't cover for residents

Policy Discussion Items

- ▶ The F&A Committee provided recommendations for the Village Board on these four items
 - Cost Recovery
 - Elimination of Fee Differential between ALS & BLS
 - Resident vs Non-Resident Rate
 - Out of Pocket Expenses

Cost Recovery

- ▶ The F&A Committee recommendation is to establish a policy related to ambulance fees to attempt to recover 100% of the annual expense related to the personnel cost of ambulance service (excluding pensions)
- ▶ Possible Benefits
 - To provide direction for future adjustments to the ambulance fees on a rational and non-political basis
 - Ensure we don't go 8 years without adjusting fees

Elimination of Fee Differential between ALS & BLS

- ▶ The F&A Committee recommendation is to eliminate the fee differential for ALS and BLS
 - Research shows that many communities do not have different fees based upon level of ambulance support
 - Moving to a flat fee structure will streamline the billing process and be more efficient
 - There is very little cost difference based on type of call because the same personnel respond with the same equipment

Resident Rate Preference

- ▶ The F&A Committee recommends \$1,600 for the resident rate and \$1,900 for a non-resident rate
 - Past practice has been to have a reduced rate for Village residents based on the philosophy that residents pay property taxes which help subsidize the fixed costs associated with EMS services
 - The discount is minor as the overall service is in line with a “user fee” basis that applies charges to citizens that use the service as opposed to those that do not use the service
 - May impact percentage of cost recovery

Out of Pocket Expenses

- ▶ The F&A Committee recommendation is for residents to not pay out of pocket expenses
 - Past practice has been to bill both residents and non-residents when insurance does not cover 100% of the ambulance fees
 - It is possible that non-residents may be billed for out of pocket expenses with a fee increase
 - The following area departments do not bill residents for out of pocket expenses
 - Naperville, Addison, Itasca, Lisle /Woodridge, Warrenville, Tri State, Wheaton, Darien, Carol Stream

Proposed Recommendation

- ▶ To summarize, the F&A Committee recommends the following for approval by the Village Board
 - **Cost Recovery** – Establish a policy related to ambulance fees to attempt to recover 100% of the annual expense related to the personnel cost of ambulance service (excluding pensions)
 - **Fee Differential**: Eliminate the fee differential between ALS & BLS
 - **Resident vs. Non-Resident Rate**: \$1,600 for the resident rate and \$1,900 for a non-resident rate
 - **Out of Pocket Expenses**: Do not bill residents for out of pocket expenses

Implementation Plan

- ▶ Recommendation of F&A Committee to the Village Board for consideration
- ▶ Review F&A recommendations at Village Board Budget Workshop
- ▶ Ordinance amending fee structure to Village Board in September
- ▶ Communication of new fees
- ▶ Implementation date (possibly October 1, 2017)