F5

MEMORANDUM

TO: MAYOR, COUNCIL

FROM: MIKE NESSLAGE, FIRE CHIEF

SUBJECT: AMBULANCE SERVICE RATES

DATE: 5/9/2019

CC: CITY STAFF, PCC BILLING

We recently received notification that Wellmark Blue Cross and Blue Shield (Wellmark) have increased their maximum allowable fees (MAF), or what they pay for ambulance services. In order to maximize revenue, we need to adjust our rates to match the increase. Our rates were last adjusted in 2017. Wellmark's MAF is effective July 1, 2019, and these rates will be effective July 1 if you approve them. We are recommending that you set our rates to match the Wellmark MAF. 14.7% of our income comes from Wellmark. (In calendar 2018 that was $44,252).

Additional supply and service charges are being added. Previously we "bundled" charges, only charging a base and mileages. Some in the ambulance industry believed that because Medicare did not allow us to charge for supplies in their rules, we could not do that for any payers. However, they issued a clarification that while Medicare will not pay for the added supplies, they are not prohibiting providers from billing other payers for those supplies.

While neither Medicare, nor Wellmark will allow these charges for their patients, other payers including other insurance, liability, automotive, and work comp payers will cover the charges. The charges established were based on our conservative estimate of what those items cost us.

The final notable change is the "Ambulance Response and Treatment" charge. Previously, insurance, including Wellmark and Medicaid only paid if we transported a patient. We had a small fee for this of $75 that went to the patient. Effective this rate cycle, Wellmark, and other insurers are paying for treatment even if we don't transport. The $248 rate is based on the Wellmark MAF for that item.

These rate changes will lead to an increase in revenue. Estimating the amount is nearly impossible with our data, because the factors are complex, depending on each specific payer on each specific call, and what care was rendered and supplied. I recommend the following rates. Based on my experience, these rates are most appropriate for our community and patients. If you have questions, I will attempt to answer them. On the next page is the chart so you can identify the changes.

Billing Code	Type of Call	Medicaid Allowable	Medicare Allowable		Wellmark Allowable	Current HFD	*Suggested*
		2016	2019		Effective July 1, 2019	Adopted 2017	
A0428	BLS Non-emergency	$84.67	$ 219.24		$379.00	$375	***$379.00***
A0429	BLS Emergency	$114.30	$350.79		$607.00	$605	***$607.00***
A0426	ALS Non-emergency	$101.60	$263.09		$455.00	$450	***$455.00***
A00427	ALS Emergency	$127.01	$416.56		$720.00	$715	***$720.00***
A0433	ALS2	$232.84	$602.91		$1043.00	$1030	***$1,043.00***
A0425	Per loaded mile	$2.61	$ 7.55		$13.00	$14	***$14.00***
A0382	BLS Routine Disposable Supplies	$5.23	*		*	*	***$25***
A0398	ALS Routine Disposable Supplies	$5.23	*		*	*	***$50***
A0384	ALS IV Supplies	*	*		*	*	***$50***
A0384	Defibrillation Supplies	*	*		*	*	***$100***
A0396	Intubation	*	*		*	*	***$100***
A0422	Ambulance Oxygen Supplies	$13.05	*		*	*	***$25***
93005	EKG-12 Lead	*	*		*	*	***$50***
	Intraosseous	*	*		*	*	***$100***
A0998	**Ambulance Response and Treatment**	$42.34	*		$248.00	*	***$248.00***

RESOLUTION NO. 19-
City of Hiawatha

RESOLUTION ADOPTING STANDARD CALL RATES FOR AMBULANCE SERVICES

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HIAWATHA, IOWA, to hereby delete Resolution No. 17-100 in its entirety and designate the following as the standard rates for ambulance services provided by Hiawatha Fire Department:

Type of Call	Rate
1. BLS Non-Emergency	$ 379.00
2. BLS Emergency	$ 607.00
3. ALS Non-Emergency	$ 455.00
4. ALS Emergency	$ 720.00
5. ALS2	$1,043.00
6. Per Loaded mile	$ 14.00
7. Treated not transported fee, flat rate	$ 248.00

AYES:
NAYS:
ABSENT:

PASSED AND APPROVED this 15th day of May, 2019

Bill Bennett, Mayor

ATTEST:

Amy Scheer, Deputy City Clerk