



Legislation Text

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Report regarding a resolution to accept the Fiscal Year 2021-22 Emergency Medical Services Ambulance Financial report and authorizing the write-off of \$370,172.56 in uncollectable ambulance billing accounts receivable. (Richard Walls, Emergency Medical Services Chief)

RECOMMENDATION

It is recommended that the City Council adopt a resolution accepting the Fiscal Year 2021-22 Emergency Medical Services Ambulance Financial report and authorizing the write-off of \$370,172.56 in uncollectable ambulance billing accounts receivable.

BACKGROUND/DISCUSSION

The purpose of this staff report is to update the City Council on the South San Francisco Fire Department (SSFFD) advanced life support (ALS) and basic life support (BLS) ambulance service fees collected for FY21-22 and request authorization for the write-off of 342 uncollectable ambulance billing accounts receivable, including aged accounts status and write-off practices.

Fees Collected

Total ambulance fees collected for Fiscal Year 2021-22 (FY21-22) was \$2,974,010. This is \$153,588 or 6% more than the revenue generated during the same period in FY20-21. Minor differences can be attributed to call volume and payer mix variations year over year. Ambulance revenues for each quarter of FY21-22 are detailed in the following table.

FY 2022 Quarterly Revenue

Table with 6 columns: ALS, BLS, Total, and 4 quarters (1-4). Rows show quarterly and total revenue for ALS, BLS, and Total.

Since staff first presented to Council on ambulance financials in 2016, new procedures, software, more effective primary billing management, better internal processes and the addition of a secondary billing contractor have all led to more stable revenue.

The combination of these strategies ensures that every avenue to retrieve revenue for service is explored prior to bringing any account to Council for write-off. Staff periodically returns to Council with a recommendation to write-off aged account receivables that have been thoroughly processed and have been determined to be uncollectable. A detailed list of accounts and a table showing age and value of accounts will be included in each write-off request.

Expenditures Versus Fees Collected

After adjusting for revenue, the net operating cost of our ALS ambulances for FY21-22 was \$1,581,670. In

addition to the high Emergency Medical Services (EMS) level we provide to our community, ambulance service fee set the total personnel cost of an EMS Battalion Chief and fielding four fire operations/suppression personnel each day. Net operating costs also account for medical supplies, equipment, and vehicle costs. These four fire operations/ suppression personnel are dual-role, Paramedic/ Firefighters assigned to the ALS ambulances, are part of the twenty personnel on duty each day responding as part of our effective response force to all call types including EMS.

The net operating cost of our BLS ambulance for FY21-22 was \$1,608. The BLS ambulance has increased its hours of operation to include 12 hours on Saturday and Sunday. This is important because as call volume has increased, the BLS ambulance has operated as back-up to our ALS transport capacity 12 hours a day, 7 days a week during the busiest hours of the day. The BLS ambulance allows less critical calls to be triaged resulting in an increase in reliability of our ALS units for more critical incidents when necessary. In addition to improving ALS reliability the BLS ambulance allows the ALS ambulances to be available for other required tasks like training, non-EMS responses, equipment, station and hydrant maintenance, pre-fire planning and critical documentation. The BLS ambulance also reduces our emergency medical transport reliance on outside private transport vendors, keeping our ambulance response time consistent. Lastly, the BLS ambulance has been a reliable entry-level program, giving individuals who are interested in the fire service their first introduction to the profession and giving them opportunities to assist with community education, CPR, and fire extinguisher training.

FY2021-22

ALS FINANCIAL SUMMARY

Personnel Cost	\$3,684,860
Supplies	\$632,384
Total Cost	\$4,317,244
Revenue	\$2,735,574
Annual net cost	(\$1,581,670)

FY2021-22

BLS FINANCIAL SUMMARY

Personnel Cost	\$229,890
Supplies	\$16,339
Total Cost	\$246,229
Transport Revenue	\$238,437
Health & Safety Revenue	\$6,184
Revenue Total	\$244,621
EMS Program Offset	(\$1,608)

Prior Year Comparison

The following information is the net operating costs for 20-21. This has been added as a year over year comparison.

FY2020-21

ALS FINANCIAL SUMMARY

Personnel Cost	\$3,433,257
Supplies	\$525,264
Total Cost	\$3,958,520
Revenue	\$2,582,328
Annual net cost	(\$1,376,192)

FY2020-21

BLS FINANCIAL SUMMARY

Personnel Cost	\$196,443
Supplies	\$9,770
Total Cost	\$206,213
Transport Revenue	\$231,663
Health & Safety Revenue	\$7,580
Revenue Total	\$239,244
EMS Program Offset	\$33,031

Call volume and revenue continue to grow. Billing practices and policies put into place over the past several years have helped to stabilize revenue and keep it more tightly correlated to call volume and payer mix. Fees for transport services help offset personnel and equipment cost for the enhanced ALS transport service and maintain an effective response force for non-medical emergencies as the City grows. The BLS transport has become a reliable back-up transport service helping to maintain response time and reliability of ambulance service in the City and has become a fruitful program for people new to public safety and emergency response services.

Uncollectable Ambulance Debt Write-off

Since December 2015, the SSFFD and Finance Department have implemented accounting practices that allow for periodic financial reviews and write-offs by Council. Once all accounts have been processed by our primary and secondary billing contractors, the remaining outstanding balances are then forwarded to SSFFD for write-off consideration. This request includes 342 uncollectable accounts totaling \$370,172.56.

It is the goal of the SSFFD to regularly report the status of these accounts. Accounts that have been vetted and no longer have recoverable revenue will be recommended for write-off. With regular reporting we anticipate a more consistent number of accounts and write-off balance.

Attachment 1, Recommended Write-Off Summary, summarizes the accounts by year. Using procedures put in place, and with the assistance of City Council, staff has worked to greatly reduce the number of uncollectible accounts, decreasing the accumulated aged accounts balance. This write-off request is the first since May 12, 2021, and is part of our plan to present uncollectable accounts receivable to Council on a recurring basis.

This request also includes 14 hardship waivers, totaling \$21,107.60. The Centers for Medicare and Medicaid

Services require a process for writing off financial hardship. In December of 2015, Council approved the hardship waiver process.

RELATIONSHIP TO STRATEGIC PLAN

This Staff Report is related to Strategic Plan Initiative 5 in that it is pursuing financial stability to support City operations.

CONCLUSION

It is recommended that the City Council adopt a resolution accepting the Fiscal Year 2021-22 Emergency Medical Services Ambulance Financial report and authorizing the write-off of \$370,172.56 in uncollectable ambulance billing accounts receivable

Attachment: Recommended Write-Off Summary