

**City Council Action
Financial Impact Report**

Title of Item: resolution approving the increase in ambulance transport rate from \$1,100 to \$1,300, to be effective July 1, 2012

Originating Department: Finance

Description of Impact

The EMSA Board of Trustees voted on May 23, 2012 to recommend increasing the transport rate in the Western Division to \$1,300 by virtue of approving the FY 2013 budget containing the assumption that transport rates would be increased to \$1,300. The resolution presented today raises the emergency transport rate from \$1,100 to \$1,300. The same level of increase is being proposed to the City of Tulsa for implementation in EMSA's Eastern Division.

Any citizen who is transported for a medical emergency will be responsible for paying the higher rate of \$1,300 rather than the current rate of \$1,100. If the individual has an EMSA TotalCare membership, either through their City utility bill or through individual purchase, this rate increase will have no effect on the cost of covered transports. The person covered by TotalCare will pay no out of pocket expenses. If a patient has health insurance, the health insurance provider will be charged its portion of the higher \$1,300 cost regardless of the patient's status in the Total Care program. An individual not participating in the TotalCare program, will be responsible for whatever portion of the cost is not covered by health insurance, such as co-pays and deductibles.

It is estimated the increase in transport rate will generate approximately \$1.9 million in additional revenue annually for the Western Division of EMSA. Oklahoma City represents 77.3% of the population in the Western Division. Applying that same percentage to Oklahoma City results in an estimated impact on Oklahoma City residents of \$1,468,700 annually. Because of the time it takes for a change in the emergency transport rate to work its way through the medical billing process, it is estimated that this increase will not result in additional revenues to EMSA for approximately 3 months. With the rate proposed for increase on July 1, 2012, additional revenue would begin to accrue to EMSA on approximately October 1, 2012. It is estimated the rate increase will result in approximately \$1,400,000 in additional revenue in FY 2013 because of the lag in collecting on the higher rate.

By increasing the transport rate charged by EMSA, the amount of support required from municipalities for EMSA operations will be decreased by an amount equal to the additional revenue received. This would mean that next year's support from the Western Division cities would be approximately \$1.4 million higher over the course of the year, and \$1,082,220 from Oklahoma City specifically.

Summary of Impact

a. Cost to City Organization: None.

b. Cost to Citizens: Increased cost for citizens who need emergency transport from \$1,100 to \$1,300. Actual out of pocket expenses costs will depend on the individual's insurance coverage and TotalCare status. Any resident with TotalCare coverage will see no change in out of pocket expenses.

c. Cost to Business Community: None.

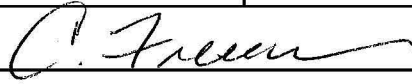
d. Revenue Produced: No revenue to the City. An additional \$1.9 million annually in annual revenue to EMSA's Western Division will result in lower expenditures to support EMSA.

Source of Funds

Fund Name:

Agency Name:

Department Head Signature:



OMB Review Completed by:

