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November 24, 2014

The Honorable Members of the City Council  
c/o City Clerk  
Room 395, City Hall  
Los Angeles, CA 90012

Emergency Ambulance Services Fee Increase

The men and women of the Los Angeles Fire Department (LAFD) are committed to providing outstanding emergency medical service, fire protection service, and fire prevention services to the citizens of the City of Los Angeles. The Department is ready to respond to emergencies and disasters 24 hours a day, 365 days a year. Resources dedicated to respond to emergency medical service type incidents are staffed by LAFD firefighters trained as Emergency Medical Technicians and/or Paramedics. The resources include paramedic rescue ambulances, basic life support ambulances, assessment engines, and assessment light forces.

The cost of the Emergency Medical Service (EMS) Program consists of direct and indirect costs including salaries, supplies, and expenses related to operations of the EMS Program. These costs determine the Emergency Ambulance Service fees. The EMS Program costs consist of 100% of the costs for paramedic rescue ambulances and basic life support ambulances, and the proportional costs for engine companies (7%) and light forces (4%) that respond to emergency medical incidents.

The annual cost of the Emergency Ambulance Service Program amounts to \$237 million based on the FY 2014-15 average salaries for field platoon duty personnel (direct costs) and the approved Cost Allocation Plan (CAP) 35 rates (indirect costs). In order to cover the cost of the Emergency Medical Service Program, the ALS and BLS fees must be increased to \$1,452 and \$1,030, respectively. This calculation was based on an average of 174,376 billable transports.

Table 1 below summarizes the current and proposed LAFD Emergency Ambulance Service fees for Fiscal Year 2014-15.

Table 1	LAFD Current Rates Effective 10/23/2010	LAFD Proposed Rates	Percent Increase
ALS Fee, per transport	\$1,373.00	\$1,452.00	5.75%
BLS Fee, per transport	\$ 974.00	\$1,030.00	5.75%
One-Way Mileage, per mile	\$ 15.75	\$ 19.00	20.63%

Table 2 below compares proposed LAFD rates to current Los Angeles County rates. The LAFD proposed ALS and BLS fees include the cost of medical supplies. Los Angeles County charges medical supplies to each patient based on the specific supplies used; therefore, it is not included in its ALS and BLS rates.

Table 2	LAFD Proposed Rates	LA County Current FY 14-15 Rates	Percent Difference
ALS Fee, per transport	\$1,452.00	\$1,445.00	0.48%
BLS Fee, per transport	\$1,030.00	\$1,033.00	-0.34%
One-Way Mileage, per mile	\$ 19.00	\$ 19.00	0%

Assuming an implementation date of April 1, 2015, it is estimated that increasing the ALS and BLS rates and the one-way mileage rate will generate an additional \$230,000 in revenue for the remaining quarter of Fiscal Year 2014-15, or \$1.7 million additional annual revenue. The emergency medical service revenue generated in Fiscal Year 2013-14 was \$70 million.

#### Conclusion


In accordance with the City's financial policy of full cost recovery, a recommendation for an increase in the fees for emergency ambulance services is submitted for your consideration. The recommendation is based on the most recent cost recovery schedule and has been reviewed and concurred by the City Administrative Officer.

#### Recommendations

It is recommended that the City Council, subject to approval of the Mayor:

1. Increase the Advanced Life Support (ALS) fee from \$1,373 to \$1,452 (+5.75%).
2. Increase the Basic Life Support (BLS) fee from \$974 to \$1,030 (+5.75%).
3. Increase the Mileage rate from \$15.75 to \$19 per one-way mile (+20.63%).
4. Request the City Attorney to amend the Los Angeles Administrative Code Sec. 22.210.2 Schedule of Charges for Emergency Service table to reflect the changes in the ALS and BLS rates.

Sincerely,

  
RALPH M. TERRAZAS  
Fire Chief