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March 31, 2020

The Honorable City Council
City of Los Angeles
c/o City Clerk
Room 360, City Hall
Los Angeles, CA 90012

Honorable Members:

Emergency Ambulance Transport Services Fee Increase

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

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

1. Increase the Advanced Life Support (ALS) fee from \$1,452 to \$2,463 (+69.56%).
2. Increase the Basic Life Support (BLS) fee from \$1,030 to \$1,747 (+69.56%).
3. Increase the Mileage rate from \$19 to \$20 per one-way mile (+5.26%).
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.

The Los Angeles Fire Department (LAFD) is committed to providing outstanding emergency medical, fire protection, and fire prevention services to the citizens of the City of Los Angeles. The LAFD is ready to respond to emergencies and disasters 24 hours a day, 365 days a year.

Resources dedicated to respond to emergency medical incidents are staffed by LAFD Firefighters trained as Emergency Medical Technicians and/or Paramedics. These 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 transport service fees. The EMS Program costs consist of 100% of the costs for advanced life support rescue ambulances (ALS) and basic life support ambulances (BLS), 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 transport service amounts to \$405.5 million based on the FY 2019-20 average salaries for field platoon duty personnel (direct costs) and the approved Cost Allocation Plan (CAP) 40 rates (indirect costs). In order to cover the cost of the Emergency Medical Service Program, the ALS and BLS fees must be increased to \$2,463 and \$1,747, respectively. This calculation was based on an average of 180,513 billable transports. In comparison, the rates for the Los Angeles County as of July 1, 2019 are \$2,428 for ALS, \$1,620 for BLS transports, and \$19.00 per mile.

The table below summarizes the current LAFD and proposed Emergency Ambulance Service fees for fiscal year 2014-2015 and shows a 69.56% increase in the ALS and BLS fees.

Emergency Ambulance Transport Service	LAFD Current Rates as of Sept 12, 2015	LAFD Proposed FY 2020-21 Rates
ALS Fee, per transport	\$ 1,452.00	\$ 2,463.00
BLS Fee, per transport	\$ 1030.00	\$ 1,747.00
One-Way Mileage, per mile	\$ 19.00	\$ 20.00

Assuming an implementation date of October 1, 2020 the increase in the ALS and BLS rates is anticipated to generate an additional \$9.0 million for EMS transports conducted for nine months of the FY 2020-21 fiscal year.

Any delay with the adoption of the proposed ordinance may impact the projected revenue increase of \$9.0 million. Additionally, the proposed revenues for FY 2020-21 do not include the anticipated decrease in ambulance transports as a result of the COVID-19 pandemic and the uncertain duration of Mayor Garcetti's Safer at Home emergency order.

Respectfully submitted,



RALPH M. TERRAZAS
Fire Chief

Attachment

Los Angeles Fire Department

FY2020-21 EMERGENCY MEDICAL SERVICE PROPOSED FEE ANALYSIS

Total cost to provide Emergency Ambulance Transport Services	FY 2014-15 Allocated Cost	FY 2019-20 Allocated Cost
EMERGENCY MEDICAL SERVICES:		
Personnel and Expenses	\$210,957,499	\$363,911,649
FIRE SUPPRESSION:		
Engine	\$19,325,412	\$30,532,022
Light Force	\$7,702,570	\$11,056,515
*Total EMS Costs:	\$237,985,481	\$405,500,186
	Mileage	-\$13,603,719
	Total Program cost less mileage	\$391,896,467
* This consists of 100-percent of EMS Program, 6.87 percent of Engines, 3.81 percent of Light Forces and excludes readiness time. Costs include servicing all transports and non-transport services.		

LAFD Current Rate Allocation (Eff. Sept 12, 2015)	Estimated Reimbursement - Current Allocation/Rates		Estimated Billable Transports	Current Rates
Advanced Life Support (ALS)	\$155,218,800	67.18%	106,900	\$1,452
Basic Life Support (BLS)	\$75,821,390	32.82%	73,613	\$1,030
Total Emergency Services	\$231,040,190	100.00%		

LAFD Proposed Rate Allocation (Eff. October 1, 2020)	Estimated Reimbursement - Proposed Allocation/Rates		Estimated Billable Transports	Proposed Rates
Advanced Life Support (ALS)	\$ 263,286,224	67.18%	106,900	\$ 2,463
Basic Life Support (BLS)	\$ 128,610,243	32.82%	73,613	\$ 1,747
Total Emergency Services	\$391,896,467	100.00%		