



CITY OF SALINAS COUNCIL STAFF REPORT

DATE: **SEPTEMBER 4, 2018**

DEPARTMENT: **FIRE DEPARTMENT**

FROM: **JEFFREY S. JOHNSON, FIRE CHIEF**

TITLE: **RESCIND CITY OF SALINAS FIRST RESPONDER COST RECOVERY FEE PROGRAM**

RECOMMENDED MOTION:

A motion to approve a Resolution to rescind Resolution no. 21399 which established a modified City of Salinas First Responder Cost Recovery Fee Program.

RECOMMENDATION:

The above recommended motion eliminates the City of Salinas First Responder Cost Recovery Fee Program. This is necessary to ensure compliance with the recently executed paramedic provider agreement between the City of Salinas and Monterey County.

EXECUTIVE SUMMARY:

On July 11, 2018, with the approval of City Council, the City Manager signed the Paramedic Service Provider Agreement with the County of Monterey. This agreement is in effect until January 31, 2020. Section 12 within the agreement stipulates that the City of Salinas not bill for advanced life support services. This section does not interfere with the established City of Salinas cost recovery fee schedule for emergency response and standby for other fire department related responses. The contract with our third party billing company (Wittman Enterprises, LLC) expired in June 2018 and they have since been noticed to cease billing activity to ensure compliance with the current Paramedic Service Provider Agreement.

BACKGROUND:

In June of 2015, the fire department initiated, with City Council approval, the EMS/VAC Cost Recovery Program. The fee brought in an average of \$450,000 annually to help offset the cost of providing first response emergency medical services. The policy was not well received by the community.

In February 2018, City Council approved a modified City of Salinas First Responder Cost Recovery Fee Program. This program significantly reduced the fiscal impact for those persons who received first response emergency medical care. It also left options open for the City of Salinas in the event that changes in public and private medical health insurance would support

billing for such services. The modified policy adoption essentially eliminated the \$450,000 average annual revenue to the first department for provision of critical advanced life support services.

The Paramedic Service Provider Agreement signed by the city manager on July 11, 2018 outlines specifically that “PROVIDER agrees not to charge for ALS Services during the term of this Agreement.” To maintain compliance with this section of the agreement, rescinding the City of Salinas First Responder Cost Recovery Fee Program is necessary.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Emergency Medical Services support the following strategic plan initiatives:

- II. Safe, Livable Community
- V. Quality of Life

DEPARTMENTAL COORDINATION:

Coordination between Fire and Finance to ensure 2018-2019 budget reflects reduction in revenue and determine an alternative option to ensure billing continues for False Fire Alarm and Motor Vehicle Accident billings.

Coordination between Fire and Legal to ensure proper execution of alternative billing options when identified.

FISCAL AND SUSTAINABILITY IMPACT:

The fiscal impacts to the fire department have already been realized when the modified fee policy was adopted in February 2018. The fire department is evaluating other established fees and the best avenue to assess such fees. Without adequate administrative support staffing within the fire department, it will be necessary to look at 3rd party consultants to assess this fee and collect on the fire department’s behalf.

Additional fiscal impacts will be an expected increase if fees from our current billing contractor (Wittman Enterprises LLC). Staff will work with Wittman to manage the impacts of these potential increases.

ATTACHMENTS:

Resolution