



Legislation Text

File #: 17-0163, **Version:** 1

FY 2018 Service Fees for Emergency Ambulance Transport Billing Policy Change Resolution

PURPOSE/BACKGROUND:

On May 8, 2002, the City Council first enacted Hampton City Code Section 14-10, titled "Service Fees for Emergency Ambulance Transport" ("HCC 14-10") which provided for the levy of certain charges upon each recipient of emergency transport service rendered in the City, and further authorized and directed the Fire Chief to establish rules and regulations for the administration of those charges, including the authority to set payment standards for those persons who demonstrate economic hardship, to the extent permitted by applicable law. That ordinance took effect on January 1, 2003.

On May 4, 2005, based on policies recommended by staff, Hampton City Code Section 14-10 was amended to expressly enable the Fire Chief to include in those established rules and regulations waiver of applicable insurance co-payments and/or deductibles for city residents. Since that time, and based on those policy recommendations acknowledged by Council, the Hampton Division of Fire and Rescue has administered policies and regulations (which have come to be known as the "Service Fees for Emergency Ambulance Transport Program" or "SFEATP") that include the waiver of co-payment obligations and deductibles for City residents. Under the current policies, 100% of the direct financial responsibility is written off.

Discussion:

Since 2005, the City has also entered into an automatic mutual aid agreement with the City of Newport News ("Newport News") to ensure that City residents receive service from the nearest available ambulance, regardless of whether those services are provided by the City or by Newport News. The City and Newport News had similar billing practices with respect to the billing (and non-billing) of residents when that automatic mutual aid agreement was first explored. However, since entering into that agreement, Newport News has changed its practice and now bills its residents for insurance co-pays and deductibles, a practice that is also consistent with the practices of several other surrounding jurisdictions. In addition, the increased number of companies selecting high deductible and/or health savings accounts which further threatens the long-term sustainability of revenue to support SFEATP. Accordingly, it is necessary for the City to conform to the same billing practices as Newport News and the other surrounding jurisdictions in order to continue to participate in the mutual aid agreement, an agreement which serves the best interests of Hampton residents.

The financial impact of proposed change in billing practices cannot be reasonably estimated, therefore the amount included in the City Manager's Recommended Budget for Fiscal Year 2018 is based on the City's current billing practice.

Impact:

Unknown.

Recommendation:

May 3, 2017: No Action.

May 10, 2017: Approve.

WHEREAS, on May 8, 2002, the City Council first enacted Hampton City Code Section 14-10, titled

“Service Fees for Emergency Ambulance Transport” which provided for the levy of certain charges upon each recipient of emergency transport service rendered in the City, and further authorized and directed the Fire Chief to establish rules and regulations for the administration of those charges, including the authority to set payment standards for those persons who demonstrate economic hardship, to the extent permitted by applicable law;

WHEREAS, on May 4, 2005, based on policies recommended by staff to and accepted by City Council, Hampton City Code Section 14-10 was amended to expressly enable the Fire Chief to include in those established rules and regulations waiver of applicable insurance co-payments and/or deductibles for city residents;

WHEREAS, since May 4, 2005, and based on those staff policies then recommended to and accepted by City Council, the Hampton Division of Fire and Rescue has administered policies and regulations, currently referred to as the “Service Fees for Emergency Ambulance Transport Program” or “SFEATP”, that include the waiver of co-payment obligations and deductibles for City residents;

WHEREAS, the City of Hampton and the City of Newport News have entered into an automatic mutual aid agreement to ensure the most responsive service for their citizens and to ensure that the closest available ambulance responds to calls for service;

WHEREAS, both cities had similar billing practices which waived the billing of co-pays and deductibles for their respective residents at the time of the entry into the automatic mutual aid agreement;

WHEREAS, the City of Hampton recently became aware that Newport News has since changed its policy and currently bills both residents and non-residents for insurance co-pays and deductibles;

WHEREAS, the change in billing practice adopted by Newport News is similar to the practice of many of the surrounding jurisdictions;

WHEREAS, incompatible billing practices between Hampton and Newport News creates confusion and inefficiencies in the billing and operation of automatic mutual aid;

WHEREAS, such incompatible billing practices threaten the viability of the automatic mutual aid agreement between Hampton and Newport News;

WHEREAS, there is a trend toward the selection of high deductible insurance plans that further threatens the financial stability of SFEATP under the City’s current billing policy; and

WHEREAS, the Hampton City Council finds that it is in the best interests of the residents of Hampton to address and correct the incompatible billing practices under the automatic mutual aid agreement and to address the trends that threaten the future financial stability under SFEATP’s current billing process.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Hampton, Virginia that the Council hereby authorizes and supports the Fire Chief in implementing new billing policies and regulations, to include billing Hampton residents for insurance co-pays and deductibles for emergency ambulance transport services rendered, in accordance with the authority granted to the Fire Chief pursuant to Hampton City Code Section 14-10(C); and (2) further authorizes and encourages the Fire Chief to establish and/or continue to waive applicable insurance co-payments and/or deductibles for City residents and payment standards for those persons who demonstrate economic hardship, to the extent permitted by applicable law.

The provisions of this resolution shall be effective July 1, 2017.

