

**Is Billing for EMS a Financial Solution?**

Ohio Fire Executive Program Class #2

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Due to economics, the problem of funding for the fire service is becoming questionable.

Through the use of evaluative research this paper will provide facts and figures for an alternative source of funding for Concord Township Fire Department.

The purpose of the research is to provide statistics for Concord Township Administration. The statistics will answer the research questions. The results will show the trend towards EMS Billing in the 4 county area of Concord Township, provide information on the potential revenue return for 2002 if EMS Billing was implemented in Concord Township, and will show if EMS Billing was politically and economically beneficial for the department.

The figures presented will be based on evaluative research. A survey was used to perform evaluative research. Surveys were sent to the 106 fire departments in the four county area of Lake County Ohio. While using figures from Concord Township Fire Department 2002 Annual Report and the average of all surveys returned approximate figures will be presented. Results will be presented to indicate EMS Billing is a viable solution for alternative funding. Results will also indicate further research is needed.

## ABSTRACT

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**INTRODUCTION**

According to news station WNEM 5 in Saginaw Michigan sixty-one firefighters and twenty police officers will not report to work in August 2001. (Firhouse.com News) David Liscio, reporter for The Daily Item in Lynn Massachusetts states that thirty-three firefighters were sent layoff notices. (Firehouse.com News) Both layoffs and many others are based on financial constraints placed upon organizations in today's economy. This research paper will address a possible alternative to funding for Concord Township Fire Department located in Lake County Ohio.

The operating budget or revenues for Concord Township Fire Department is provided by two-five-year levies that are voted upon by the residents of Concord Township every second and third years. Concord Township also has monies available in a general fund. This fund is maintained from local taxes paid by the citizens of Concord Township. As a general rule in Concord Township, the general fund is used more for capital improvements and for the administration of other services provided in Concord Township.

This research project will address finding an alternative fiscal resource for Concord Township Fire Department due to today's questionable economy. Using a survey and statistics for Evaluative Research, results will provide information to address the problem in this research paper. A fire department must have a plan in place to obtain alternative funding should monies from levies diminish, or not keep up with the service expectations of the citizens or regulations enacted by legislation.

There are four purposes for this research paper. They include:

1) To investigate the option of alternative funding for the Emergency Medical

Services (EMS) of fire department business. In today's society, a department cannot rely on the funding by levies alone.

2) To provide facts and figures for Concord Township Administration. These figures will provide information to help the administration determine an alternative option of funding should the citizens defeat the request for monies via the levies.

3) To provide information for the future, rapid, evaluation of a billing program. This information will assist in the decision of billing a patients insurance company or the patient directly for EMS services that have been provided by Concord Township Fire Department. Survey results will also provide decision-making information as to whether residents and or non-residents should get billed for the use of EMS.

4) To provide facts that may or may not persuade others in the administration to implement the program prior to a crisis happening. This pro-active research approach will provide facts and figures to the administration for the potential building of funds needed for the advancement and betterment of personnel and equipment. These advancements will provide for all patients or customers who may have the need of EMS by Concord Township Fire Department or those with future needs.

This research will provide a reference for Concord Township Administration to evaluate what other fire departments are doing in the geographical area of Concord Township as it relates to billing patients or their insurance companies for EMS that is provided by the Concord Township Fire Department.

The specific research questions this research will answer are as follows:

1) Based on survey results from the geographical area of Concord Township i.e. Ashtabula, Lake, Geauga and Cuyahoga counties, what is the trend towards EMS billing?

2) Based on survey results, and present calculations of Concord Township Fire Department EMS calls from January 2002 thru December 2002, what would be the expected revenue return to Concord Fire Department?

3) Based on survey results, has there been any political or economical disadvantage to EMS billing?

### BACKGROUND AND SIGNIFICANCE

Prior to 1984 Concord Township Fire Department provided fire and EMS services using a budget out of the township general fund. Since 1984 fire department services have been provided through funding obtained by a fire levy. This levy was voted upon and approved by the citizens of Concord Township. In 1991 a second levy was added to provide additional monies needed for fire department services. In 1991 both levies generated approximately \$600,000 towards the operating expenditures of Concord Township Fire Department. Expenditures include: building maintenance, staff payroll, equipment, supplies, training, etc.

Today the two levies providing funding for Concord Township Fire Department supply approximately \$1,607,000 per fiscal year. These monies have slightly more than doubled since the inception of the second levy in 1991.

The first levy began in 1984. This levy was originally set at 2.0 mills and continues today. This levy is anticipated to provide \$753,000 in 2003 for present and future services

provided by Concord Township Fire Department. Since the inception of this levy, voters of Concord Township have approved the levy by the following margins:

1984	71% approval
1988	77% approval
1993	77% approval
1998	71% approval
2003	Up for Renewal

The second levy, originally set of 2.0 mills, also provides funding for Concord Township Fire Department. This levy was instituted in 1991. In 1996 this second levy was renewed at 2.7 mills. The anticipated revenue obtained from this levy is approximately \$1,130,000 for 2003. Concord residents have approved this levy by the following margins:

1991	56% approval
1996	80% approval as Renewal at 2.7 mills
2001	Voted on and approved

At this present time, Concord Township Fire Department and Concord Township Administration does not have an immediate concern that funding will not continue from the citizens of Concord. However, Concord Township Fire Department cannot assume that the average 72% of the citizens will always be content with service provided by Concord Township Fire Department. Concord Township Fire Department must prepare for the 28% of citizens who have not voted or who have voted against the passing of the levies. With tough economic times and the increasing cost of providing services Concord Township Fire Department must be prepared for the increase of the 28% of the citizens against or not voting for the levies.

Interstate 90 and US Route 44 divide Concord Township into four quadrants. By doing

this, Concord Township has its' share of accidents and ill persons who are passing through and need the services of Concord Township Fire Department whether it is for EMS or fire services such as motor vehicle accidents, spills or vehicle fires. This area of concern uses services that are funded by the citizens through fire levies.

Concord Township Fire Department responds to these areas and also provides fire and EMS for approximately 24 square miles with two fire stations. The departmental resources

consist of three engines, 3 rescue squads, one tanker, and 2 "chase vehicles" along with a Chief and Fire Prevention vehicle. A total department roster of 53 personnel staffs these vehicles. The shift staffing consists of a minimum of five (three Full-time, and two Part-time) personnel on duty along with a Full-time Fire Chief, and a Full-time Fire Prevention Officer. Shift staffing may go up to eight personnel on duty when supplemented with five Part-time personnel.

Statistics taken from the 2001 Annual Report of Concord Township Fire Department shows the department responded to 1480 incidents. The breakdown of incidents in 2001 is:

<b>Fire Incidents:</b>	<b>215</b>
<b>EMS Incidents:</b>	<b>642</b>
Basic:	154
Advanced/Medic:	488
<b>Motor Vehicle Accidents:</b>	<b>199</b>
With Transport:	85
Without Transport:	104
Other:	424



## LITERATURE REVIEW

Copious amounts of literature for this research project were available. An abundance of information was available through articles, newspapers, trade magazines, surveys, and interviews. Information obtained had to be relevant to the research questions provided and pertinent to the operations of Concord Township Fire Department and the expectations of the citizens of Concord Township.

A survey was utilized as the main source to gather information for this research. All questions in the survey, except the last one #14, were designed for facts and not opinions. Question #14 was designed to get an opinion of "political fall-out" or ramifications from implementing EMS billing.

Information was also obtained for this research from the Concord Township Clerk Peggy Cusick. Peggy is responsible for the monies received and spent by Concord Township. The anticipated revenues presented above are projected revenues to be generated for the fiscal year of 2003 based on property evaluations in Concord Township.

This author is basing his analysis on research results from surveys sent to area fire departments. As of July 29, 2002 this author has received a response from 66 of the 106 surveys sent to fire departments. This equates to 62% of fire departments responding to the survey. (Survey Attachment #1)

An evaluation of the responses from fire departments were: Ashtabula County 13 of 25 (52%), Cuyahoga County 31 of 51 (61%), Geauga County 8 of 14 (57%) and Lake County 14 of 16 (88%). (Attachment 2)

Literature review also indicates monies are available through billing when Medicare is billed for patients enrolled in the Medicare Program. An analysis written by Wolfberg Page and

LLC Wirth in the March 2002 issue of Pennsylvania Firefight News, page 82, addresses

Medicare fees. This analysis identifies fees that may be collected from Medicare if the patient is a participant in the Medicare program. The proposed fee schedule went into affect on April 1,

2002.

Fire Departments that bill for EMS may collect the following fees from Medicare for the

following responses.

Basic Life Support (BLS)- Emergency:	\$272.86
Advanced Life Support 1 (ALS1)- Emergency:	\$324.03
Advanced Life Support 2 (ALS2)	\$468.99

According to Page and Wirth, Medicare defines the above levels of treatment in the new

rule. BLS is defined as basic services that are provided by squads up to and including

Intravenous Fluids (IV's) that are started by basic Emergency Medical Technicians (EMT's).

ALS1 is defined as a level of service "including an ALS assessment OR the provision of

at least on ALS intervention." (Page, Wirth, 2002) ALS intervention includes IV's, cardiac

monitoring, administration of medication, defibrillation, intubation, cardiac pacing and others

procedures.

According to Page and Wirth ALS2 is defined as performing at least three of the above

procedures, but does not include the administration IV's, oxygen, or aspirin as any of the three

procedures. Three administrations of the same drug will be counted as three procedures to

qualify for this fee allotment.

Page and Wirth also define "Emergency." An emergency classification is given to a

procedure when a fire service or EMS responds immediately to a 911 call. The supplier of

medical services must respond immediately to a 911 call or take steps necessary to respond to the

call.

Concord Township Fire Department is staffed 24 hours a day with personnel and equipment. This provides the ability to respond immediately, or make the arrangements to respond immediately to calls for medical service requests. This staffing and immediate response defines all EMS responses by Concord Township Fire Department as an "Emergency" response.

Based on the Medicare Fee Schedule and statistics provided further in this research

monies are available for alternative funding of fire departments services. Calculations appear to indicate alternative sources of funding are available should steps be taken by a municipality to obtain them.

## PROCEDURES

All facts and figures provided by this research are based on the assumption that numbers provided by the respondents of the survey are accurate. The averages of the survey results will be used to calculate the potential income of revenues based on statistics provided by Concord Township Fire Department.

A survey was used as a method for Evaluative research. "Evaluative Research" is defined in this authors OFE manual as "designed to evaluate the effectiveness (strengths and weakness) of a particular policy, program, practice, method, procedure, etc." (OFE manual Research Utilization, Addendum, page 5a)

Questions presented to area fire departments were composed to provide facts for Concord Township Fire Department and Concord Township administration. The questions were formatted as described in this authors OFE manual. (OFE manual Research Utilization, 145)

The facts provided would provide information on EMS billing, whether performed or not, in other departments in the area. Concord Township Fire Department and the administration may then utilize the information to determine if EMS billing is an alternative source of funding for Concord Township Fire Department.

The survey used was in the form of 14 questions. (Appendix I) The survey was sent to all fire departments in the Ashtabula, Cuyahoga, Geauga, and Lake County areas in Northeastern Ohio. The survey was sent to ONLY fire departments listed in the Ohio State Fire Department book published for the year 2000. The author wanted to compare "apples to apples" since Concord Township Fire Department is a "Fire Department" Ambulance service companies were not polled. A total of 106 surveys were sent out on or about July 15, 2002. The author requested a response by August 1, 2002 via the self-addressed envelope this author provided or by fax.

The author polled only the above counties. The intent was to provide facts of operations for other fire departments in the same geographical area of Concord Township Fire Department, which is located in Lake County Ohio. Cuyahoga, Geauga and Ashtabula Counties border Lake County on 3 sides. The northern border of Lake County is Lake Erie.

The averages of all the returned results were used as a baseline for calculations. The average numbers were taken and compared with numbers provided by the Concord Township Fire Department 2002 Annual Report. Numbers will be presented which are predicted monies that would have been available if a billing process was presently in place. The final calculations are also based on the average of "Funds collected" by fire departments during their 2001 billing cycle. "Funds collected" in this research is money that has been received by fire departments for



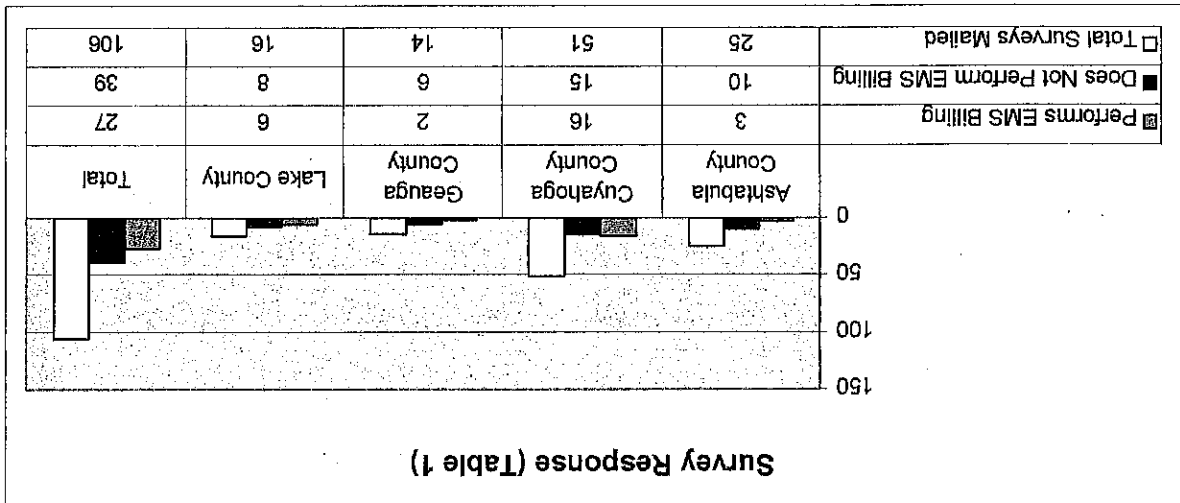
Question #2 "Does your department charge for EMS transports?" provided information

that on average Ashtabula County 23% does bill, Cuyahoga County 52% does bill, Geauga

County 25% does bill, and Lake County 43% does bill for EMS. Since the completion of the

survey, three more departments in Lake County have gone to EMS billing of patients but will

NOT be included in the calculation of figures. (Table 1)



Question #3 "If you charge for EMS, what patients do you charge?" provided the

following calculations. In Ashtabula County 100% of the departments charge all patients. In

Cuyahoga County 94% of the departments charge all patients while 6% of the departments

charge only non-residents. In Geauga County 50% of the respondents charge all patients while

50% only charge non-residents. However, in Lake County only 17% of the departments charge

all patients, while 83% only charge non-residents.

Questions #4 "If you charge ALL patients transported, does this include local

government employees?" 67% of Ashtabula County departments do charge local government

employees along with 63% of Cuyahoga County, 50% of Geauga County and 17% of Lake

County departments.