



June 13, 2022

Daniel J. Lynch, Director
Fresno County Community Health Department
Emergency Medical Services Division
1221 Fulton Mall/P.O. Box 11867
Fresno, CA 93775

Dear Mr. Lynch:

American Ambulance requests approval for a user fee adjustment to certain charges, as detailed in Attachment-1 to this letter, in accordance with Section V.C. of the Exclusive Operating Area (EOA) Agreement between the County of Fresno and American Ambulance. This is the first user fee adjustment requested since the beginning of our current EOA contract on January 1, 2018.

The proposed increase is estimated to yield a 7.93% increase in net revenue per transport (Attachment-2). The expected revenue increase is a best case estimate, since only approximately 10% of our patients have private insurance, which is the only payer that will potentially pay an increased charge. Approximately 90% of our patients will be unaffected by a user fee increase. Our estimate assumes insurance companies will continue to pay the same proportion of charges they currently do. However, the reality is that insurance payers of all types are increasingly denying claims due to their retroactive determination that the transport lacked medical necessity. In most of these cases, we must either accept a reduced payment or completely write-off the bill. Many of these patients do not pay their bill in full due to the prevalence of insurance plans with high deductibles and copays. We also have a generous hardship write-off policy that reduces personal financial liability exposure for our patients.

The primary reason for the fee adjustment is to offset increases to hourly employee wage scales for EMTs, paramedics, emergency dispatchers, and support staff that were necessary to attract and retain EMS workers during an extremely tight labor market. Since the beginning of the Current EOA Agreement, starting wages have gone up 44.9% for EMTs, 31.1% for paramedics and 34.2% for dispatchers without a corresponding increase to user fees (Attachment-3). These increases were partially driven by state-mandated increases to the minimum wage, but also due



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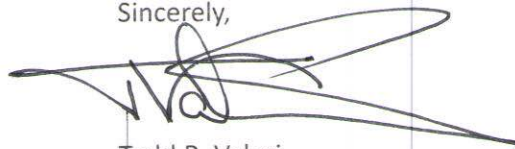
to labor market conditions. Not factoring increases in previous years, the hourly employee wage increases for 2022 alone represent a \$2.65 million increase in annual expenses, and we project another \$2.4 million increase to wages beginning January 1, 2023. Despite these dramatic increases, staffing shortages continue, as with EMS providers across the country (Attachment-4). While there are factors impacting employee hiring for nearly every industry, EMS was affected particularly hard by the COVID-19 pandemic.

The California Ambulance Association has been leading a grassroots effort, along with Assemblymember Freddie Rodriguez, for the State of California to increase Medi-Cal reimbursement to ambulance providers in this year's State budget to provide necessary funding for competitive EMS worker wages and benefits to improve employee recruitment and retention. In his letter to the California Assembly and Senate Budget Subcommittees, Assemblymember Rodriguez rightly points out, "The last time ambulance providers received a Medi-Cal base rate increase was 1999. However, this increase was cut in 2013, and was never replaced in future budgets. Our Medi-Cal rate is the same today as in 1999, but when adjusted for inflation is equal to \$63.00." He adds, "For ambulance providers to be able to offer competitive wages and benefits, we need sustainable funding and reimbursement through the Medi-Cal program." (Attachment-5). Unfortunately, those efforts to increase Medi-Cal funding in this year's budget were unsuccessful, leaving little hope for increased Medi-Cal reimbursement for the foreseeable future. As a result, our only option to fund ongoing employee wage increases is through a user fee adjustment.

American Ambulance is consistently among the lowest cost ambulance providers in California. Since January 1, 2018, throughout the current contract with Fresno County, American Ambulance has not requested an increase to its fees. We would prefer to not make this request, but believe it is required to support wages necessary to recruit and retain EMS workers in the current labor environment and assure stability of our local EMS system.

We are prepared to meet with you and your staff to discuss questions you may have or provide any required supporting detail. Please contact me personally regarding this request.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Valeri', with a large, sweeping flourish extending to the right.

Todd R. Valeri
President/CEO

Attachment-1

Proposed Ambulance User Fee Schedule

	Current fee	Proposed fee
BLS Base Rate	\$995.00	\$1,234.00
BLS Emergency Base Rate	\$1,592.00	\$1,974.00
ALS1 Base Rate	\$1,194.00	\$1,481.00
ALS1 Emergency Base Rate	\$1,890.50	\$2,344.00
Mileage (rate per loaded mile)	\$39.50	\$49.00
Special Event Stand-by (dedicated unit per 15 minutes)	\$40.00	\$50.00
ALS2 Base Rate (no change)	\$2,736.25	\$2,736.25
Paramedic Intercept (no change)	\$1,741.25	\$1,741.25
Critical Care Transport (no change)	\$3,233.75	\$3,233.75
Non-Transport - ALS Treatment Fee (no change)	\$500.00	\$500.00
Non-Transport - Ambulance Assessment Fee (no change)	\$200.00	\$200.00
Stand-by rate (waiting with patient per 15 minutes) (no change)	\$40.00	\$40.00

Attachment-2

Charge and Collections Analysis per Transport

Net revenue increase/transport % 7.93%

Revenue Increase	Transports	Current Average Charge per Transport	Average Charge Increase per Transport	Proposed Average Charge per Transport	Current Average Collection per Transport	Estimated Collection Increase per Transport	Proposed Average Collection per Transport
Fixed Reimbursement payers (Medicare, Medi-Cal, uninsured, contracts, government payers)	102,861	\$2,077.99	\$498.72	\$2,576.70	\$409.45	\$0.00	\$409.45
Non-fixed payers (Private Insurance)	12,014	\$2,315.84	\$555.80	\$2,871.65	\$1,943.87	\$432.10	\$2,375.96
Total/Average	114,875	\$2,102.86	\$504.69	\$2,607.55	\$569.93	\$45.19	\$615.12

Attachment-3

Annual Starting Wage by Position

	2018	2019	2020	2021	2022	5-year increase
Emergency Medical Technician (EMT)	\$32,148	\$34,944	\$39,021	\$41,205	\$46,592	44.9%
Paramedic	\$49,591	\$50,581	\$54,600	\$62,608	\$65,025	31.1%
Emergency Dispatcher-I	\$33,226	\$34,398	\$39,239	\$42,042	\$44,590	34.2%

Health Law & Business

U.S. Ambulance Companies Sound Alarm on Workers in Short Supply

By Alex Ruoff

March 25, 2022, 2:00 AM

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- EMS companies ask lawmakers for aid to curb heavy turnover
 - Ambulance groups say worker shortage hurts emergency response
-

Ambulance companies are warning they face a major worker shortage that could slow emergency response times across the country if nothing is done to help them.

Industry groups are lobbying Congress to fund training programs for emergency response personnel, and to boost Medicare pay for ambulance workers. They're hoping these changes can accompany any broader efforts in Congress to address workforce shortages facing the health care industry.

The groups say the problem is widespread: nearly everywhere in the country, emergency response crews are struggling to fully staff ambulances.

"I don't know of a service out there right now that isn't feeling a worker pinch," said Shawn Baird, president of the American Ambulance Association.



Emergency medical technicians carry a patient involved in a car accident into an ambulance in Joplin, Mo., in August 2021. Photographer: Angus Mordant/Bloomberg via Getty Images

The ambulance industry has complained that Covid relief money distributed to health-care providers was never given directly to them. Federal officials sent out rounds of funding to rural providers and hospitals, but not specifically ambulance companies. That fund has now run dry.

Turnover among paramedics and emergency management technicians ranged from 20% to 30% annually in 2020, according to a survey the American Ambulance Association released late in 2021. That means ambulance services can expect to replace their entire staff roughly every four years.

Bureau of Labor Statistics data show health care in general enjoys a lower-than-average rate of employment separations. The health industry in 2021 had a 39% separation rate, compared to an overall average of 47%.

Read more: [Hospitals Push for Crackdown on Pricy Nurse Staffing Agencies](#)

Increased Demand

The ongoing Covid pandemic has increased demand for medical personnel, from physicians to nurses and EMTs, according to Department of Labor data. At the same time, nurses and other professions that require similar training as first responders command a higher salary.

The median annual wage for EMTs and paramedics was \$36,650 in May 2020, about half the pay of a registered nurse, according to the Bureau of Labor Statistics. Nursing does typically require more education and training, however.

Most ambulance services are regional, and many are publicly run or financed, but they aren't treated the same as fire and rescue or hospitals, Baird said. EMTs often aren't eligible for tax credits for training programs like nursing and doctor programs are, or for funds set up for firefighters, he said.

"We're just a little sliver that got lost in the middle," Baird said.

Privately-owned ambulance companies say the worker crunch is hitting them too.

American Rescue Plan Boosted Pay of 740,000 Pandemic Workers

Ted Van Horne, chief operating officer of Global Medical Response, said it's nearly impossible for ambulance companies like his to compete with hospitals on wages. Horne said his company, one of the largest emergency response companies in the country with 38,000 employees and backing by private equity, spent \$230 million in added expenses for Covid-related employee assistance in 2020, as well as increased wages.

Despite the higher spending, there's still higher-than-average turnover, he said. "We have this gap, a massive health care shortage right now," Horne said.

That shortage of personnel can slow response times, he said.

Turning to Congress

Ambulance groups are hoping Congress will come to their aid.

Baird said ambulances don't get reimbursed enough by Medicare or Medicaid and are asking Congress to boost payments to emergency responders. The group didn't specify specific amounts. They're also asking for money to train new EMTs to help fix the long-term short supply of workers.

The typical cost of a ground ambulance trip ranges from \$224 to \$2,204 per transport, according to a Government Accountability Office report. Medicare pays 80% of any approved ambulance costs once a beneficiary hits their yearly deductible.

Sens. Bernie Sanders (I-Vt.) and Tina Smith (D-Minn.) Wednesday introduced legislation to authorize a \$500 million grant program to support emergency medical response needs. It would fund training and recruiting volunteers and buying new equipment, among other provisions. It would also call on federal health officials to report on financial challenges around EMS crews and make recommendations to Congress on how to address them. The legislation currently has no Republican cosponsors.

"EMS and fire department calls have skyrocketed during the pandemic," Smith said in a statement. "Yet too often, these emergency services are understaffed and underfunded."

To contact the reporter on this story: Alex Ruoff in Washington at aruoff@bgo.gov

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COMMITTEE SECRETARY
TAYLOR GONSALVES

Assembly
California Legislature



ASSEMBLY COMMITTEE ON
EMERGENCY MANAGEMENT
FREDDIE RODRIGUEZ, CHAIR
ASSEMBLYMEMBER, FIFTY-SECOND DISTRICT

Attachment-5

VICE CHAIR
KELLY SEYARTO

MEMBERS
CECILIA AGUIAR-CURRY
LISA CALDERON
ADAM GRAY
MARIE WALDRON
CHRISTOPHER WARD

May 20, 2022

Dr. Joaquin Arambula
Chair
Assembly Budget Subcommittee Number 1,
Health and Human Services
1021 O Street, Suite 8230
Sacramento, California 95814

Senator Susan Talamantes Eggman
Chair
Senate Budget Subcommittee Number 3,
Health and Human Services
1020 N Street, Room 502
Sacramento, CA 95814

Dear Chairs Talamantes Eggman and Arambula:

On behalf of the undersigned Members of the Senate and Assembly, we respectfully request an increase in the Medi-Cal base rate for ambulance transports to \$350, which is still below cost for service but high enough to ensure California providers can offer sustainable living wages that attract new recruits and increase wages for current employees to improve retention.

Decades of below cost Medi-Cal reimbursement, combined with Medi-Cal expansion, is crippling California's ability to recruit and retain qualified emergency medical technicians (EMTs) and paramedics. Unfortunately, this issue has been building long before the pandemic started, and it now threatens to undermine the stability of our emergency and non-emergency ambulance transport infrastructure. To address our retention and recruitment issues, ambulance providers need a Medi-Cal increase that ensures a sustainable living wage for caregivers, now and into the future.

Both ambulance service providers and the labor unions that represent the EMS workforce in California have joined to support this request. Ambulance employers and employees setting aside differences to join in an effort is indicative of the dire need, and how critical it is the Legislature take this action, which is necessary for the following reasons:

California ranks 46th in the nation for ambulance Medicaid reimbursement:

The cost of providing ambulance services in California is the highest in the nation, but the state's \$111 Medi-Cal reimbursement rate ranks 46th in the Country. Even our neighboring states have

significantly higher Medicaid reimbursement rates, with Arizona reimbursing \$408 for a Medicaid patient.

California has not funded a Medi-Cal increase for ambulance services since 1999:

The last time ambulance providers received a Medi-Cal base rate increase was 1999. However, this increase was cut in 2013, and was never replaced in future budgets. Our Medi-Cal rate is the same today as in 1999, but when adjusted for inflation is equal to \$63.00.


The majority of patients reimburse below cost, or pay nothing for ambulance services:

Current reimbursement rates for Medi-Cal and Medicare patients do not cover the costs of an ambulance transport. Indigent care, which is often provided for free, cost providers millions in losses a year, and commercial health insurers often deny coverage for our services or seek to pay rates below our costs or below a provider's set local government rate.

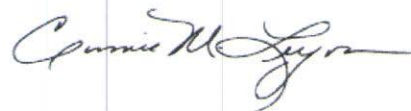
For ambulance providers to be able to offer competitive wages and benefits, we need sustainable funding and reimbursement through the Medi-Cal program.

Thank you for the consideration of our request. If you have any questions, please contact my Chief Consultant of the Assembly Emergency Management Committee at (916) 319-3667.

Sincerely,



FREDDIE RODRIGUEZ
Assemblymember, 52nd District
Chair, Assembly Committee on
Emergency Management



CONNIE LEYVA
Senator, 20th District



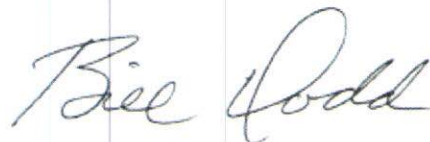
MELISSA HURTADO
Senator, District 14



JAMES RAMOS
Assemblymember, District 40



ADAM GRAY
Assemblymember, District 21



BILL DODD
Senator, District 3



TIMOTHY GRAYSON
Assemblymember, District 14



REBECCA BAUER-KAHAN
Assemblymember, District 16



BILL QUIRK
Assemblymember, District 20



BOB ARCHULETA
Senator, District 32



BLANCA RUBIO
Assemblymember, District 48

CC

Chair of the Assembly Budget Committee
Chair of the Senate Budget Committee
The Governor
Speaker
Senate President pro Tempore