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City of West Allis Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
2006-0165	Communication	In Committee
	Fire Chief communication relative to consideration of a Basic Life Support Billing Rate Change.	
	Introduced: 4/4/2006	Controlling Body: Administration & Finance Committee

COMMITTEE RECOMMENDATION

Approval

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>APR 04 2006</u>	<input checked="" type="checkbox"/>		Barczak	<input checked="" type="checkbox"/>			
			Czaplewski	<input checked="" type="checkbox"/>			
			Dobrowski				
			Kopplin				
			Lajsic	<input checked="" type="checkbox"/>			
			Narlock				
			Reinke	<input checked="" type="checkbox"/>			
			Sengstock				
			Vitale				
		<input checked="" type="checkbox"/>	Weigel	<input checked="" type="checkbox"/>			
			TOTAL	<u>10</u>	<u>0</u>		

SIGNATURE OF COMMITTEE MEMBER

[Signature]
Chair

Vice-Chair

Member

COMMON COUNCIL ACTION


APPROVAL

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>APR 04 2006</u>	<input checked="" type="checkbox"/>		Barczak	<input checked="" type="checkbox"/>			
			Czaplewski	<input checked="" type="checkbox"/>			
			Dobrowski	<input checked="" type="checkbox"/>			
			Kopplin	<input checked="" type="checkbox"/>			
			Lajsic	<input checked="" type="checkbox"/>			
			Narlock	<input checked="" type="checkbox"/>			
		<input checked="" type="checkbox"/>	Reinke	<input checked="" type="checkbox"/>			
			Sengstock	<input checked="" type="checkbox"/>			
			Vitale	<input checked="" type="checkbox"/>			
			Weigel	<input checked="" type="checkbox"/>			
			TOTAL	<u>10</u>	<u>0</u>		



STEVEN J. HOOK
CHIEF

CITY CENTENNIAL
1906-2006

To: Honorable Mayor Bell and Members of the Common Council
From: Steven J. Hook, Fire Chief 
Date: March 20, 2006
Re: Consideration of a Basic Life Support Billing Rate Change

RECEIVED
MAR 23 2006

CITY OF WEST ALLIS
CITY CLERK/TREASURER

Attached, please find a copy of the Police and Fire Commission's approval to provide Basic Life Support rate change information for consideration. Allis Care Center has asked that we consider discounting the ambulance billing rates to their long-term health care facility. The request was made in January 2006 and affects only Medicare - Part A patients.

Asst. Chief Steven Bane explained the situation on the attached PFC communication and I have copied it below:

Certain patients are admitted to nursing homes (NH) under "Medicare Part A". The NH gets a flat fee for the first 100 days of care. All expenses incurred for treatment and care related to the admission diagnosis, come out of this flat fee, including ambulance transports. When we transport a patient for Allis Care Center in this situation, the NH gets a bill for the full rate of about \$440.00.

If the patient is transported for treatment that is not related to their admission diagnosis, the patient's "Medicare Part B" pays. When the care is placed under "Part B" there is no problem and Medicare pays roughly \$225.00 and the balance of the \$440 (\$215) is written off. Most patients transported from Allis Care Center fall in this category and there is no cost to the NH.

Our billing agent, Life Quest, has offered three solutions:

- Option 1: Offer the Long Term Care Facilities the same rate that "Medicare - Part B" patients receive, roughly 50% reduction. Would be the most accepted by the Facilities, largest impact on revenue.
- Option 2: Offer a 30% reduction. Might be a good compromise, still a possibility of losing their transports
- Option 3: Offer no reduction in the billing rate. Risk losing all of the transports.

100 Years of Dedicated Service

7332 West National Avenue, West Allis, WI 53214, Phone: (414) 302-8900, Fax: (414) 302-8927
www.ci.west-allis.wi.us

Based on projections from Life Quest on past transports, a 50% discount would have resulted in the following reduction in revenue:

<u>Year</u>	<u>Reduction</u>	<u>Revenue Collected</u>	<u>% Change</u>
2003	-\$4,416	\$ 51,793	-8.5%
2004	-\$8,899	\$139,258	-6.4%
2005	-\$6,944	\$203,667	-3.4%

Allis Care Center is our largest basic life support inter-facility transport client. Our two other BLS transport clients typically call us for fewer transports. From their business, we would experience a similar, but smaller financial impact.

The City Attorney's Office and Finance Director Gary Schmid, as well as the Police and Fire Commission have evaluated this rate change request.

Suggested action

While each option has some potential reduction in revenue, each has a different level of risk. It is our opinion, shared by members of the PFC, to:

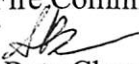
1. Adopt Option 2, which offers a 30% rate reduction, helping the health care facility, but also maximizing our collection, but also
2. Consider Option 1, which provides the lowest risk, while experiencing an acceptable revenue loss.
3. Abandon Option 3, which implies complacency toward the needs of our clients, and poses the highest risk for loss of business and is unacceptable.



EMERGENCY MEDICAL SERVICES
STEVEN D. BANE
ASSISTANT CHIEF

CITY CENTENNIAL
1906-2006

March 16, 2006

To: Honorable Board of Police and Fire Commission
From: Steven D. Bane, Assistant Chief 
Re: Permission to Forward a Billing Rate Change to Common Council

Commissioners:

We are requesting permission to forward a request by Allis Care Center to; Offer a discount for ambulance billing rates to Long Term Health Care Facility – “Medicare Part A” Patients, to the Common Council.

In early January we received a request from Allis Care Center (ACC) to reduce the rate that we charge for the transport of “Medicare – Part A” patients.

The situation as I understand it is as follows:

Certain patients are admitted to nursing homes (NH) under "Medicare Part A". The NH gets a flat fee for the first 100 days of care. All expenses incurred for treatment and care related to the admission diagnosis, come out of this flat fee, including ambulance transports. When we transport a patient for ACC in this situation, they get a bill for the full rate of about \$440.00.

If the patient is sent out for treatment that is not related to their admission diagnosis, the patients "Medicare Part B" pays. When the care is placed under "Part B" there is no problem and Medicare pays roughly \$225.00 and the balance of the \$440 (\$215) is written off. Most patients out of Allis Care Center fall in this category and there is no cost to the NH.

We consulted with our billing agent, Life Quest, and they offered three recommendations:

- 1) Offer the Long Term Care Facilities the same rate that “Medicare – Part B” patients receive, roughly 50% reduction. Would be the most accepted by the Facilities, largest impact on revenue.

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- 2) Offer a 30% reduction. Might be a good compromise, still a possibility of losing their transports
- 3) Offer no reduction in the billing rate. Risk losing all of the transports.

Based on projections from Life Quest on past transports, a 50% discount would have resulted in the following reduction in revenue:

<u>Year</u>	<u>Reduction</u>	<u>Revenue Collected</u>	<u>% Change</u>
2003	-\$4,416	\$ 51,793	-8.5%
2004	-\$8,899	\$139,258	-6.4%
2005	-\$6944	\$203,667	-3.4

The two other facilities request fewer transports and would have a similar but smaller impact.

Due the potentially significant budgetary impact, we are requesting that this decision be referred to the Common Council.

APPROVED BY:  _____
Board of Police and Fire Commissioners

DATE: March 17, 2006