



Contra Costa EMS System Emergency Ambulance Reimbursement Report

June 30

2017

This report provides a year over year summary of insurance reimbursement and payer mix associated with Contra Costa County EMS System Ambulance Service Providers. Data reported was collected from EMS provider agencies that provide emergency ambulance services to the residents of Contra Costa County. This report was prepared by Contra Costa EMS Agency.

**Payer Mix
Summary
2010-2016**

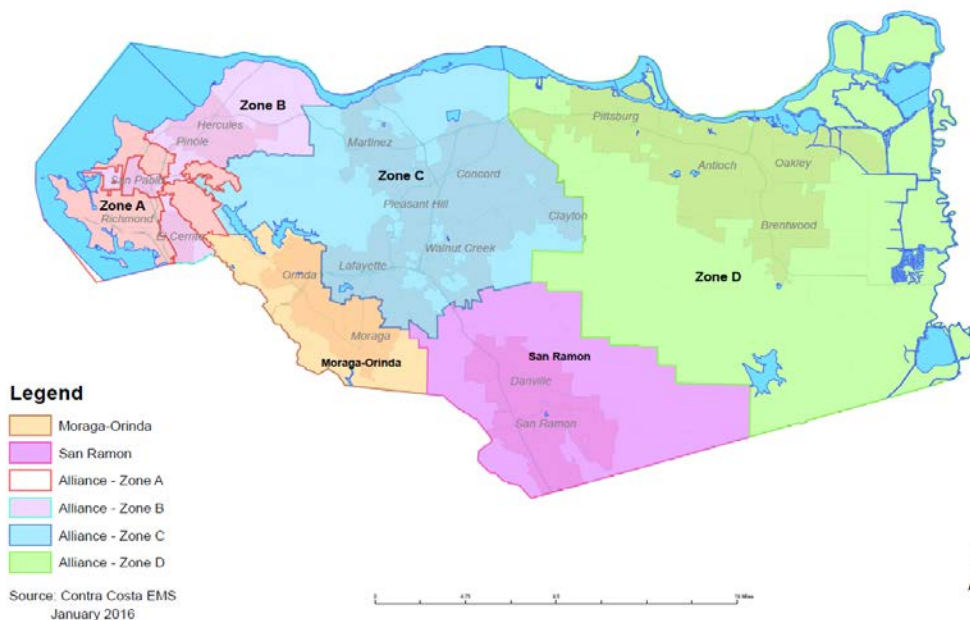
Executive Summary

9-1-1 ambulance providers within Contra Costa County are required to be at the ready to serve over 1.1 million people 24/7, 365 days a year. EMS ambulance providers respond to every call regardless of an individual's ability to pay within strict response time performance measures while assuring that ambulance equipment is up to date and personnel are highly trained.

Emergency ambulance services rely primarily on insurance reimbursement to support and sustain ambulance operations within the community. Over the years insurance reimbursement has shifted and today EMS ambulance providers serve residents who have Medicare and Medi-Cal as their only health care coverage. The elderly, the working poor, children, and the medically vulnerable are the primary recipients of these federal and state insurance plans. Insurance reimbursement for emergency ambulance services from all payers is known to pay only a fraction of the cost of these services. In response to reduced insurance payments, EMS ambulance providers have increased charges for ambulance transportation services as a method of cost recovery. This trend is not unique to Contra Costa and affects ambulance services throughout California and the United States.

This report provides a year over year summary of insurance reimbursement and payer mix data for Contra Costa County EMS System Ambulance Service Providers. Data reported was collected from EMS provider agencies contracted to provide emergency ambulance services to the residents of Contra Costa County between 2010 and 2016.

Contra Costa County Ambulance Response Zones

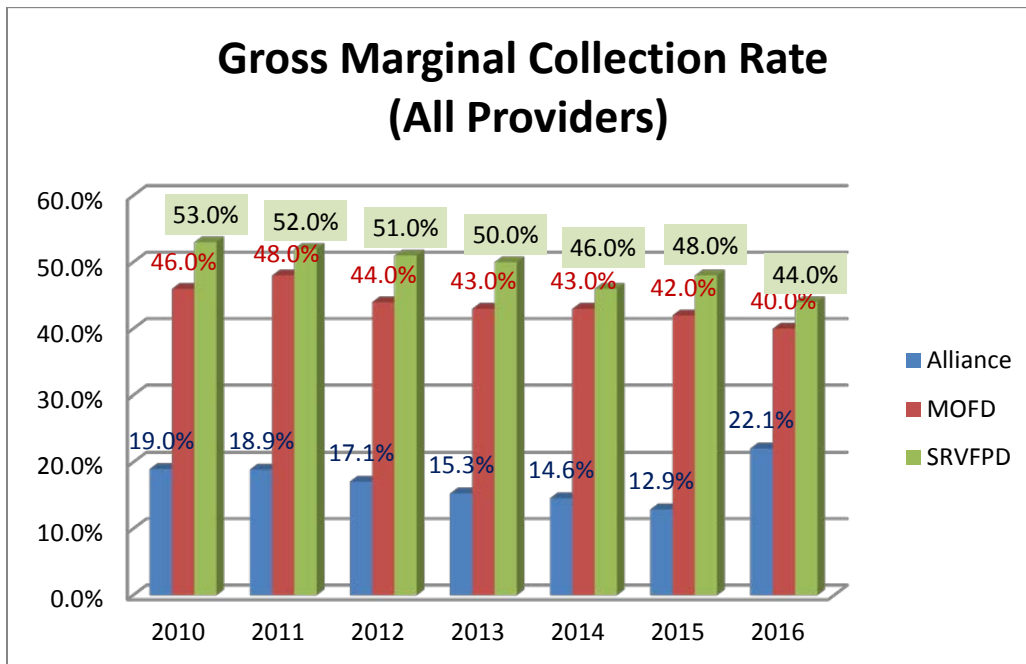


The Contra Costa EMS System 2016: Currently residents of Contra Costa County are served by three EMS System ambulance providers:

1. Moraga-Orinda Fire District (MOFD) provides exclusive EMS ambulance services to residents in the Moraga-Orinda Ambulance Response Zone.
2. San Ramon Valley Fire Protection District (SRVFPD) provides exclusive EMS ambulance services to residents living in the San Ramon Ambulance Response Zone.
3. Contra Costa County Fire Protection District (CCCFPD) with their ambulance subcontractor American Medical Response (AMR) provides exclusive emergency ambulance services as the “Alliance” to the remaining portions of the county (Ambulance Response Zones A,B,C and D).

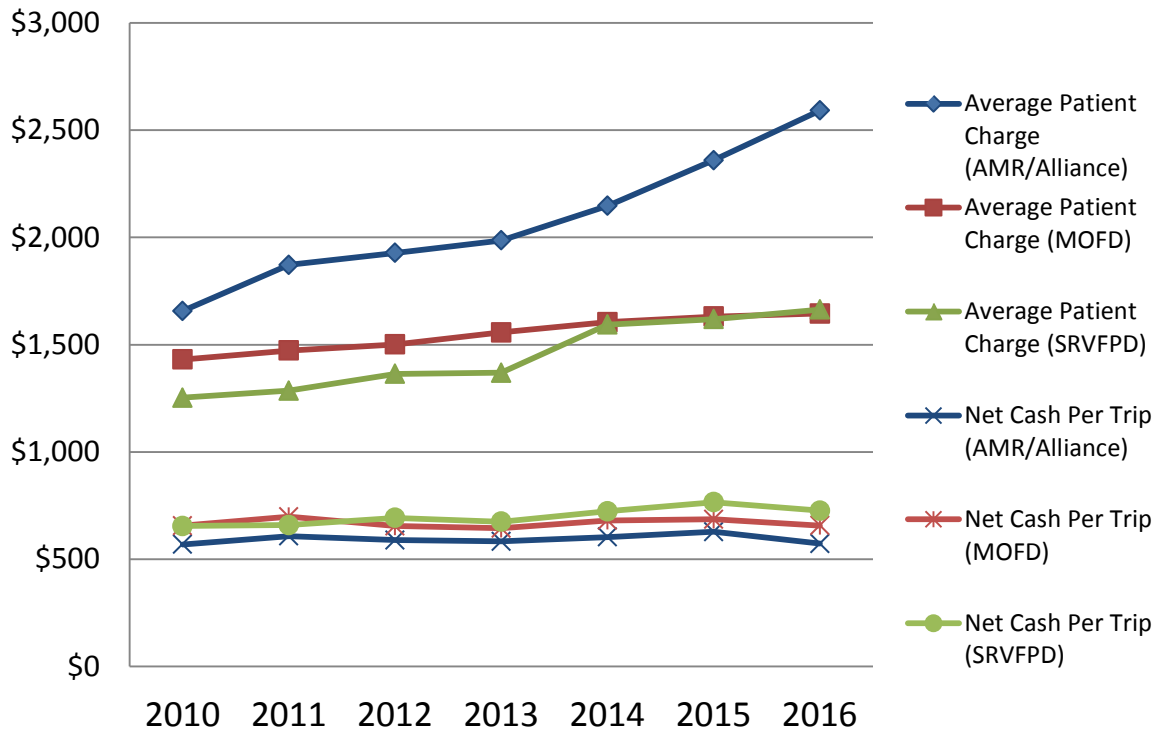
Prior to January 1, 2016 American Medical Response was the sole EMS ambulance contractor for ambulance response zones A thru D.

Contra Costa EMS would like to thank the Fire-EMS ambulance services for contributing to this report. This information will be updated periodically to assist the community, EMS System leadership, and policy makers to monitor and track changes in ambulance reimbursement that may be effected by changes in the federal and state health care legislation.



** AMR was the exclusive emergency ambulance provider during 2010-2015. CCCFPD was awarded the ambulance contract and started service January 1, 2016 with AMR acting as exclusive subcontractor for ambulance services.

Average Patient Charge vs Net Cash Per Transport (All Providers) 2010-2016



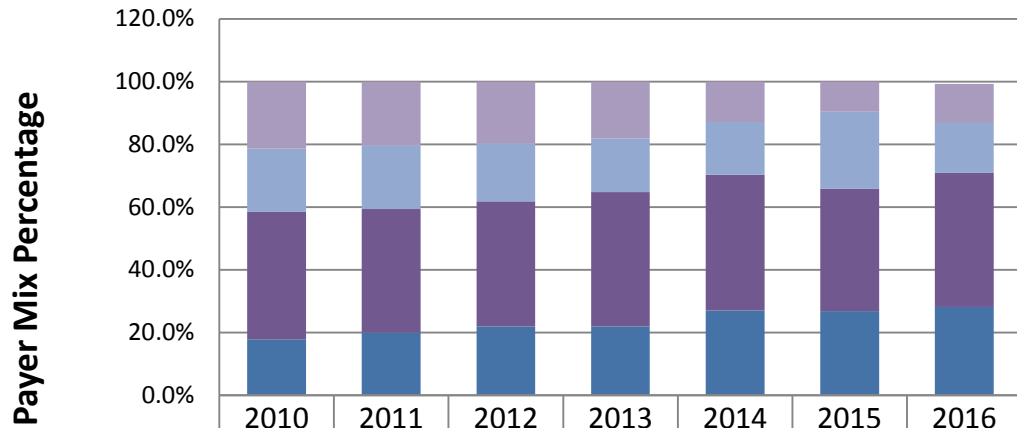
Charges for ambulance services increase in response to numerous factors, including increases in the actual cost of equipment, medications, personnel and cost of living but are also driven by poor insurance reimbursement. Government payers such as Medi-Cal and Medicare pay only a fraction of the charges. Government payers reimburse ambulance services at “capitated rates” that stipulates the ambulance provider accept the capitated insurance reimbursement as “payment in full” or requires the individual to assume a portion of the remaining cost (e.g. copay).

Private third party payers (e.g. Kaiser, AETNA, Blue Cross and other HMO and PPO payers) typically reimburse at a “usual and customary” rate after the patient meets their insurance deductible for the year. If the patient is covered by a “high deductible insurance plan” and the individual requires ambulance services before meeting their high out of pocket deductible, the individual may receive a bill for the full charge of ambulance services. This can result in a bill to the patient of several thousand dollars which takes many individuals by surprise. Ambulance insurance reimbursement is complex and coverage varies greatly so it is not unusual for an individual who is billed for ambulance services to not fully understand what is covered and what is not.

However all ambulance providers in Contra Costa County are required to have billing appeals processes for individuals who may not be able to pay their emergency ambulance bill. To learn more about how to

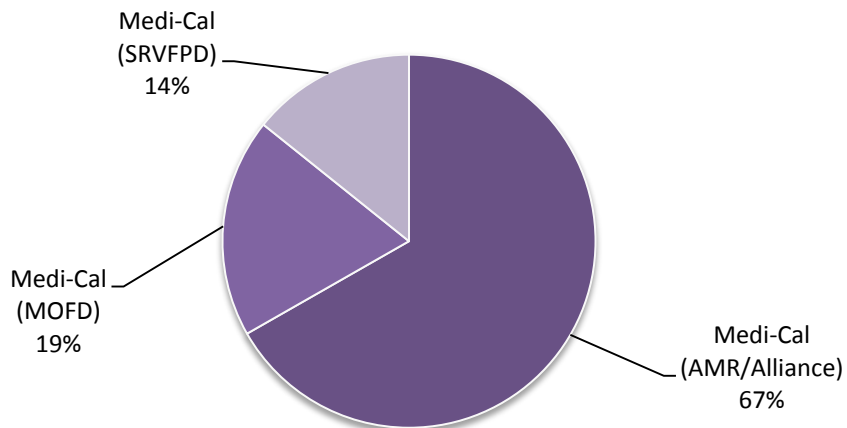
appeal an ambulance bill visit <http://cchealth.org/ems/ambulance-rates.php> for more information on Ambulance Rates and free Medicare Appeals Assistance.

AMR/ALLIANCE Payer Mix 2010-2016

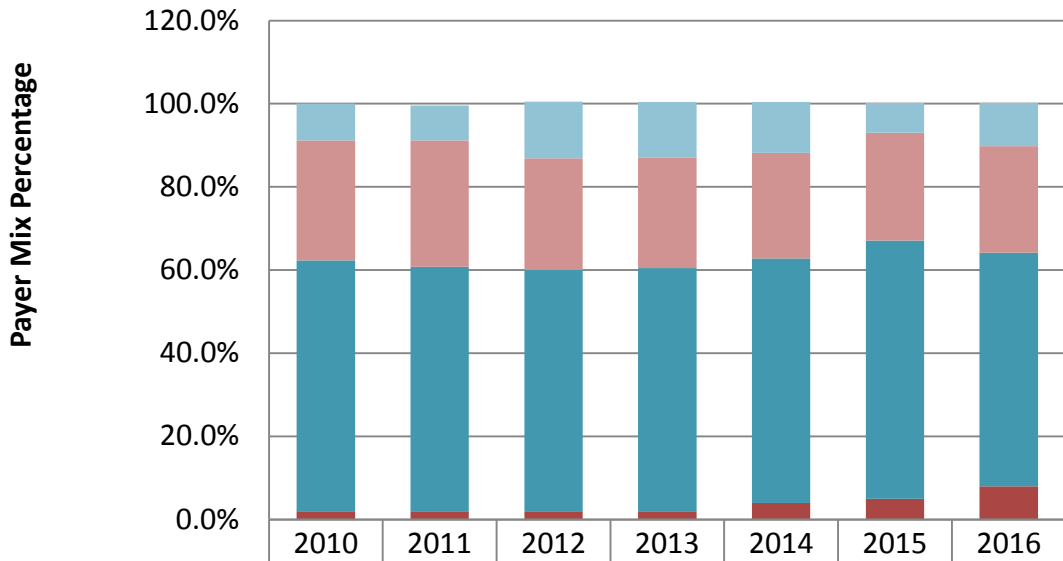


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|------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| ■ Self Pay (AMR/Alliance) | 21.3% | 20.3% | 19.7% | 18.2% | 12.9% | 9.6% | 12.5% |
| ■ Third Party Payer (AMR/Alliance) | 20.2% | 20.3% | 18.5% | 17.0% | 16.8% | 24.5% | 15.9% |
| ■ Medicare (AMR/Alliance) | 40.7% | 39.4% | 39.9% | 42.9% | 43.3% | 39.1% | 42.8% |
| ■ Medi-Cal (AMR/Alliance) | 17.8% | 20.0% | 21.9% | 21.9% | 27.0% | 26.8% | 28.1% |

2016 Medi-Cal EMS Ambulance

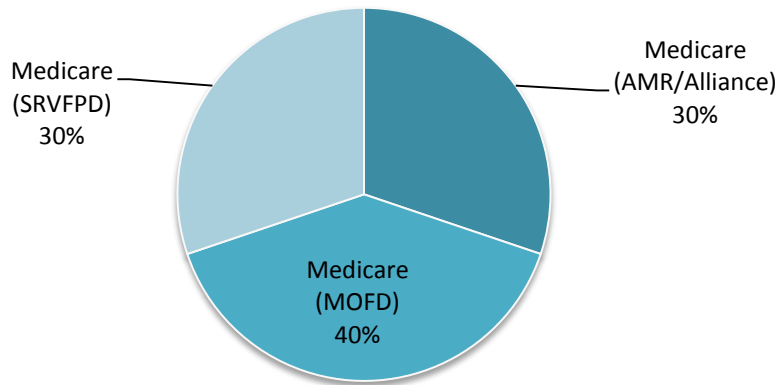


Moraga Orinda Fire Protection Ambulance Payer Mix 2010-2016

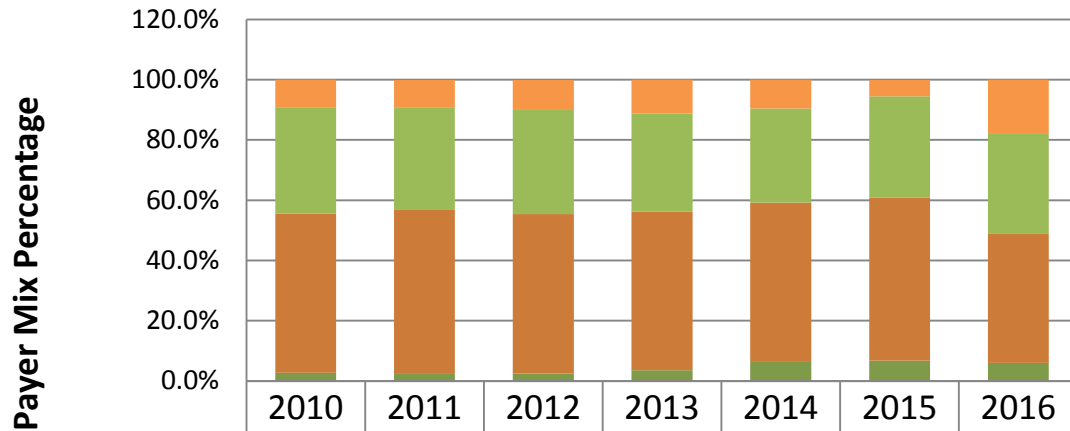


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|--------------------------|-------|-------|-------|-------|-------|-------|-------|
| Self Pay (MOFD) | 8.8% | 8.4% | 13.6% | 13.3% | 12.2% | 7.2% | 10.4% |
| Third Party Payer (MOFD) | 28.9% | 30.4% | 26.9% | 26.6% | 25.4% | 25.9% | 25.6% |
| Medicare (MOFD) | 60.3% | 58.8% | 58.0% | 58.5% | 58.8% | 62.1% | 56.2% |
| Medi-Cal (MOFD) | 2.0% | 2.0% | 2.0% | 2.0% | 4.0% | 5.0% | 8.0% |

2016 Medicare EMS Ambulance



San Ramon Fire District Ambulance Payer Mix 2010-2016



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|----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Self Pay (SRVFPD) | 9.3% | 9.2% | 9.7% | 11.2% | 9.5% | 5.4% | 17.7% |
| Third Party Payer (SRVFPD) | 35.2% | 33.7% | 34.8% | 32.5% | 31.3% | 33.6% | 33.5% |
| Medicare (SRVFPD) | 52.8% | 54.4% | 52.9% | 52.7% | 52.9% | 54.1% | 42.8% |
| Medi-Cal (SRVFPD) | 2.7% | 2.6% | 2.5% | 3.6% | 6.3% | 6.8% | 6.0% |

Summary: With the advent of unknown but major changes in both federal and state insurance reimbursement programs such as Medicare and Medi-Cal significant changes in EMS ambulance service reimbursement are anticipated. It is likely that these changes could substantially increase the costs for EMS ambulance services to the consumer. The current trends suggest that insurance reimbursement from Medicare and Medi-Cal will affect a large number of our most vulnerable residents who are known to use emergency ambulance services more often.

All ambulance providers in Contra Costa County are required to have billing appeals processes for individuals who may not be able to pay their emergency ambulance bill.

To learn more about how to appeal an ambulance bill contact the ambulance provider directly or visit <http://cchealth.org/ems/ambulance-rates.php> for more information. The Contra Costa EMS Agency monitors insurance and reimbursement issues associated with the ambulance industry as part of its role as the local authority regulating EMS and non-emergency ambulance services throughout Contra Costa County.